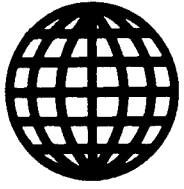


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9 JUNE 1988



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Latin America

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Saboia on Military Intervention in Case of Serious Disorder

33420091a Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 28 Apr 88 p 5

[Article by Jose Neumanne Pinto]

[Text] "If there were very serious disorder, the Armed Forces would have no choice but to intervene. Not because they wish to—quite the contrary. The Armed Forces are increasingly committed to the process of consolidating democracy, even in their own interest. After all, military intervention would be the worst thing for the military in particular; between 1965 and 1985, in the 20 years of the so-called military regime, the budgets of the three forces declined 50 percent, in real values."

The words, spoken in a calm and thoughtful tone, are those of one of the most respected military commanders of the New Republic: Adm Henrique Saboia, minister of the Navy.

They are not in the nature of a threat, it should be made clear, but were extracted from a lengthy consideration of the current political situation and of the crisis which Brazil is experiencing. Saboia noted that "the Armed Forces have unquestionable responsibilities with regard to internal security and could not irresponsibly ignore a situation of disorder and social upheaval." He made a point of emphasizing, however, that he does not believe this will happen. The possibility was raised during the discussion only to strengthen his argument that he had never, in his capacity as a military minister, pressured any politician to vote for a presidentialist system and a 5-year presidential mandate in the Constituent Assembly.

The Ceara native showed himself to be a master of the art of conversation. His strongest point was the explanation of his conversations with politicians on the eve of the vote on Super Tuesday, in which the Assembly members, by an overwhelming majority, voted to maintain the presidentialist system and to shorten the mandate of the president of the Republic by 1 year.

"In my conversations, I simply explained that direct presidential elections this year are a technical impossibility, from a legal standpoint. To bolster this argument, I even asked my advisory team to take a count of how many issues had been set aside to be resolved by common laws throughout the process of negotiating the definitive version of the text of the new constitution. Unfortunately, I do not have the data yet, but I can assure you that a great deal of work remains to be done with regard to legislation. And I ask you: how can these laws be made by a Congress in the midst of an election campaign?" reasoned the Navy minister.

Adm Saboia used an "up-to-date" example: the problems confronting the constituent members in setting up the standards regulating the municipal elections which

are to be held this year, as already stipulated in the Constitution in force. "Well, you know, my friend, that municipal elections do not stir up the emotions of the politicians and the people a fraction of a percent as much as presidential elections. And there is all this difficulty regulating the municipal elections. Can you imagine, he asked, "a presidential election without strict rules on the matter of campaign advertising, when the country is experiencing all this crisis?" It was at this point in the conversation that the admiral admitted the possibility of military intervention in the event of serious disorder. "In such a situation, given the responsibility which we have, we would not have much choice," he explained.

This argument, he assured, does not and has never constituted a threat of a possible coup if the Constituent Assembly approved a parliamentarist system and a 4-year mandate. It has nothing to do with establishing the term of the current president. It is only a matter of being realistic and recognizing the practical impossibility of holding direct presidential elections this year, before the necessary legal regulations have been defined," he concluded. Saboia acknowledged that he does not have the authority to choose between a presidentialist and a parliamentarist system, but he reminded the interviewer, just as he had warned the Constituent members, that Brazil lacks the three prerequisites for a functioning parliamentarist system: strong parties, a professional bureaucracy and the district vote.

The Navy minister feels that, in the federal bureaucracy, only the Armed Forces and Itamaraty have the qualified career professionals to work with a parliamentarist system. Adm Saboia lamented that the Constituent Assembly had approved "so many rights and not a single duty of the civilian to the society." He admitted that there is still much to perfect before Brazilian democracy is truly solid. "Only when we have a fully functioning democracy will we dispel this generalized public suspicion of the action of the Armed Forces. The stronger the democracy, the smaller the possibility of military intervention—and we military will be happy because our professional duties will be increasingly limited."

On this point, the Navy minister was optimistic. "It is already a real miracle that we have gotten as far as we have, based on tolerance and without bigger problems. Democracy is a system which demands tolerance and understanding of opposing opinions and it is difficult to put in practice. There are many people who feel that the worse it goes, the better. But it seems increasingly clear to me that this type of people represents the thinking of a minority. Most of Brazilian society, like the Armed Forces, is interested in consolidating democracy, which does not appear like the rabbit out of the magician's hat, but is won day by day," he concluded.

Complications Seen in Formation of Center-Left Party

Possible Candidates Reviewed

33420091b Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 1 May 88 p 3

[Text] There is little doubt about the creation of the new party of the Center Left, to be formed by old-line PMDB [Brazilian Democratic Movement Party] members, similar forces in the PFL [Liberal Front Party] and small groups who are currently out of place in their parties. Behind the initiative is the forthcoming presidential succession, expected to take place next year. The old-line politicians are seeking space. They are certain that there is a campaign organization backing Governor Orestes Quercia, who would become the PMDB candidate. Given the candidacies of Leonel Brizola and Luis Inacio da Silva and, certainly, Aureliano Chaves, for the Center, they are proposing to create the conditions for a candidate from their group.

The new party is being formed by way of Sao Paulo. If they are united, Mario Covas, Fernanco Henrique Cardoso and Franco Montoro will carry the plan forward. They have already discussed it a great deal—certain also that they will have a good chance at the state succession in 1990. There are complicating factors in that the easiest candidate to launch for Planalto Palace would be Mario Covas, but he is hesitant. He feels he could win the Palacio dos Bandeirantes easily, but if he ran unsuccessfully for president of the Republic the year before the gubernatorial election, he might spoil his chance to become governor of Sao Paulo. Franco Montoro is extremely eager to run for the presidency. Fernando Henrique Cardoso is still looking the situation over.

The formation of a new party is almost a foregone conclusion, given the lack of space for the veteran party members in the state and federal plans, since the situation in Sao Paulo is repeated in Minas Gerais, Pernambuco, Parana and other states. Nonetheless, no decision has been made yet regarding the right moment for the creation of the new party. It will depend on approval of the laws regulating the municipal elections in November. For Covas, Fernando Henrique and Montoro, it would be good if the new party could put up candidates for those elections. They do not fancy that they could win big, throughout the country, but they would concentrate on the mayoral elections in the capitals. A few victories would put the party in a very good position to compete for the presidency of the Republic in 1990. The problem is that, in Minas, Pernambuco, Parana and other states, there are strong candidates, of the likes of Mauricio Fruet, Euclides Scalco, Fernando Lyra and Pimento da Veiga, but in Sao Paulo the situation is muddier. Franco Montoro swears on a stack of Bibles that he will not run for mayor of the capital, but he is eyeing the possibility that, if he succeeds Janio Quadros this year, he would be in a good position to run for the presidency of the republic next year.

Last week, Ulysses Guimaraes asked Fernando Henrique Cardoso to accompany him from Sao Paulo to Brasilia. During the flight, the president of the PMDB asked, in an offhand manner: "But what is this story I am hearing about a new party?" He is tired of hearing the story, even to the details, from his crusty informants in the group of veterans. He understands the tribulations of Fernando Henrique Cardoso, Mario Covas and Franco Montoro, but since he is also dueling with broadswords in the darkened arena of Sao Paulo politics, he might welcome the defection of the three.

Also during their jet flight to the capital, Fernanco Henrique opened the game: "Dr Ulysses, the new party represents the only way to keep Quercia out of the presidency of the republic." The reply: "Oh, is Quercia a candidate?"

This is all a typical Mineiran game, played here by Ulysses Guimaraes, who knows very well the Sao Paulo governor's intent to run and the campaign organization which he has already set up. It is said that Ulysses might support Quercia if the majority of the PMDB is inclined toward him. There are those who feel, however, that Ulysses has a card up his sleeve. After all, he was a step away from the presidency of the republic a month ago; if the National Constituent Assembly were to establish a 4-year presidential mandate, he would be the PMDB candidate next November. Why did he adapt so easily to the change, even playing for time and appearing to support Quercia's candidacy next year? The reason may be simple: within a month, when the National Constituent Assembly comes to a definite decision on the fate of Sarney's mandate, what would happen if the circumstances of the moment and Ulysses' efforts led the deputies and senators to opt for a 4-year term? The possibility is there. The Big Center is no longer what it was, as became clear in the vote on the economic system this week. The failure to implement promptly the national recovery plan which the president of the republic proposed to implant, plus the public reaction to the action of the CPI [Congressional Investigating Committee] which is investigating corruption, added to the further erosion of the government, the other CPI's in formation and the evident public complaints—all this could lead the Constituent Assembly's unstable mass to approve a 4-year presidential mandate.

This possibility explains Sarney's caution, or it would explain the supposed audacity of Ulysses, who is only interested in moving the PMDB over to the opposition now, before the 5-year mandate is definitely established. Later, it would be more difficult, even because of the expected defection of the veteran party members. And there would be no dividends for the Sao Paulo legislator. After almost 50 years at the window, observing and participating in national politics, Ulysses has known how to emerge from the storm always with more strength. That might not happen now, but to imagine him as amorphous and odorless, shaped by events instead of shaping them, is foolish. Something will happen.

As for the new party, it will not have a socialist connotation, Fernando Henrique Cardoso said yesterday. The idea is to take in the Center Left and even liberal factions who are now unhappy with their parties. The idea of calling it the PSD, or Social Democratic Party, has been abandoned, for various reasons: first, because it might be confused with the old PSD; second, because Gen Joao Figueiredo and former minister Cesar Cals have come out and endorsed an unknown party with this label; finally, because Franco Montoro reacted against it. He has always belonged to the Christian Democratic line, the traditional adversary of democratic socialism in Europe. No one would understand it in Rome, Bonn and thereabouts. Once the decision is made to launch the new party, its founders will worry about the label.

A final word on the matter: Tuesday, Senator Fernando Henrique Cardoso was crossing the floor of the Constituent Assembly when he heard someone call to him, precisely in these terms. "Psst, boy, boy, come here." He went. It was Senator Afonso Arinos, who, from the height of his 82 years, asked to be a part of the new party. He committed himself and even offered to campaign for it in one of two states. He could not cover all of them because of his age. His reason for asking to join the future party: "I am certain that it will be parliamentarist."

No Rules Established

33420091b Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 1 May 88 p 7

[Article by Flamarion Mossri]

[Text] The delay in defining the draft bill regulating the municipal elections this year is leading to a "cooling off" of the discussions about the founding of a new party of the Central Left, which would bring together dissidents of the PMDB, the PFL, the PDS [Social Democratic Party], the PTB [Brazilian Labor Party] and the PDT [Democratic Worker's Party] and former PMDB members.

Because no rules have been established for the election of mayors and councilmen, the coordinators of the new party have resolved to act with great discretion. Even losing out on the announcement, they feel that only after the planned Center Left party is assured of participation will they be able to operate without restraint and without the risk of denying possible mayoral candidates the chances to run on the tickets of their current parties.

Minas Gerais Deputy Pimenta da Veiga (no party affiliation), one of the principal architects of the movement, has conversed daily with dissident congressmen from various parties, believing that the legal and political conditions will be there to participate in the 15 November elections. "A lot of people are in for a surprise," he said, without hiding his enthusiasm at his placement in the polls that are being conducted for mayor of Belo Horizonte.

The organizers of the new party, which might be called the "Social Democratic Movement" or the "Brazilian

Democratic Movement," have been holding weekly meetings away from the Congress, in homes and in private rooms in restaurants and hotels. They feel it is essential that the rules of the game for this year's elections be defined immediately, which is why many of them fear the maneuvers of the leaders of the PMDB, PFL, PDS, PDT and PTB to attempt to prevent the formation of the new party.

The presidents of the PMDB and PFL, in particular, feel that the breakdown of the party structure will work against the consolidation of the democratic regime following the promulgation of the new constitution. According to the draft constitution and the proposal in the final phase of drafting by the party leaders, a minimum of 30 congressmen could form a new provisional party, dispensing immediately with the organization of regional and municipal directing commissions.

This measure is seen as the "birth certificate" of the new party of the Center Left, which intends to adopt the social-democratic line. Pimenta da Veiga disputes the fears of Ulysses Guimaraes and Marco Maciel. "If we approve the creation of a party supported solely by legislators, that will emerge is simply a group. It would be very difficult to form another party with the backing of just 30 congressmen," the Minas Gerais deputy said.

Another factor complicating the plans for the new party are the proposals of PMDB and PFL congressmen to postpone the respective national conventions. The PFL convention will not be held on 15 May. The tendency is to schedule the convention for 15 to 20 days after the promulgation of the new constitution. The PFL dissidents themselves accept this suggestion, theorizing that it would give them more time to win the votes of the convention delegates from the states for the announced confrontation with the government group, which is currently in the majority. Marco Maciel and Jorge Bornhausen, among others, are certain that once the dissidence is formalized and the determination to face off in the national convention is confirmed, those who plan to leave the party would be motivated to remain, with their positions defined, in the PFL. These tactical maneuvers are disquieting to the defenders of the new party.

In the PFL, only deputies Saulo Queiroz, Jayme Santan, Maria de Lourdes Abandia and Sandra Cavalcanti are considered certain to join the future party. From 8 to 10 congressmen are thought to be undecided. Saulo Queiroz and Jayme Santa have actively participated in the understandings, along with Pimenta da Veiga, Fernando Lyra, Otavio Elisio (no party), Wilma Mai (PDS), Moema Sao Thiago (PDT) and Jose Richa, Fernando Henrique, Severo Gomez, Antonio Brito, Euclides Scalco and Franco Montoro, all of the PMDB.

The great expectation of all the coordinators of the new party lies with the position of the PMDB leader in the Constituent Assembly: Senator Mario Covas. If he

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BRAZIL

decides to leave the party and makes a public and political commitment to the future Center Left party, the coordinators guarantee that 50 to 60 PMDB members would follow him.

On 8 May, during the regional convention of the Sao Paulo PMDB, Covas could be helpful—his presence or

absence could be an important factor. Sao Paulo politicians very close to Orestes Quercia are working discreetly to bring about a rapprochement between the governor and the senator—disagreements with Fernando Henrique and Franco Montoro apart.

6362/9274

President's Labor, Economic Policies Criticized

Polls Reveal Majority Dissatisfaction

33480132a Quito HOY in Spanish 27 Apr 88 p 1

[Text] Two national polls yielded similar results indicating that the majority of the population is dissatisfied with the performance of Leon Febres Cordero as president of the republic.

Sixty-four percent of those surveyed by INMAVER and 58.9 percent of those surveyed by the Information Center (CDI) throughout the country claimed to be very dissatisfied or somewhat dissatisfied with the efforts of the current government leader.

In contrast, the two polls yielded almost identical totals of those claiming to be very satisfied or somewhat satisfied: 36 percent in the INMAVER poll and 36.6 percent in the CDI survey.

The two firms conducted separate polls in early April, using representative samples of the country's population. The difference between the two surveys lies in the percentage of people expressing no opinion: 1 percent for INMAVER and 5.1 percent for CDI.

The attached table shows the results of the CDI survey by province, indicating that dissatisfaction is very high in the mountains (78 percent in Azuay and 76 percent in Pichincha), and a little lower in Manabi (63 percent). Guayas marks the exception to the rule, where satisfaction is greater (63 percent).

Dissatisfaction With Febres Cordero's Performance					
Area	Very Dissatisfied	Somewhat Dissatisfied	Somewhat Satisfied	Very Satisfied	No Opinion
Total	40.2	18.1	30.9	5.7	5.1
Guayas	23.0	12.0	51.0	12.0	2.0
Pichincha	58.0	18.0	18.0	3.0	5.0
Azuay	54.0	24.0	20.0	2.0	1.0
Manabi	28.0	35.0	30.0	2.0	6.0

These poll results were provided by the Information Center in early April.

Labor Policy Scored

33480132a Quito HOY in Spanish 30 Apr 88 p 3A

[Text] The workers have been compelled to join forces with other social groups in the last 4 years by the need to counter the poor leadership of the Leon Febres Cordero government, stated Jorge Leon. Leon, a researcher who belongs to the CEDIME, talked to HOY on the occasion of 1 May.

Among other things, Leon pointed out that the present administration's policy toward the labor movement has been characterized by repression. This explains why there have been fewer labor conflicts in the past 4 years.

Jorge Leon also indicated that there are ideological differences among the three trade union federations that make up the Sole Workers Front (FUT), differences which prevent them from forming the Sole Workers Confederation.

Here are the highlights of our dialogue with Leon:

[Question] How do you view the labor sector's development in the last few years?

[Answer] The FUT, which has been promoting the unity of all exploited sectors since the 1970s, won recognition as a pressure group under the presidency of Osvaldo Hurtado. We must not forget that Hurtado Larrea talked with the union leadership during times of social crisis.

It can be said that the FUT won recognition as the government's counterpart because it voiced the demands of the majority.

[Question] Some observers say that the labor movement lost strength under this administration, and that labor leaders could not prevent the government from pressuring the workers.

[Answer] The present government managed its labor policy skillfully; it always tried to negotiate with the workers at the beginning of a conflict. If it did not obtain favorable results, it resorted to threats. The statistics are revealing in that they show a decrease in labor conflicts, because the government stood firm against workers' demands.

[Question] What is the difference between the attitude toward workers of former President Hurtado and that of Febres Cordero?

[Answer] Hurtado Larrea left an opening for the labor movement, which nonetheless hit him with four strikes. The present regime imposed government repression.

[Question] What is your opinion of the unity that the FUT is trying to promote?

[Answer] Unfortunately, the FUT is unable to unify. The three federations that make up the Front cannot form the Sole Confederation because of their ideological differences.

[Question] What do you think of the participation of other federations and Indian groups in the movement promoted by the FUT?

[Answer] The one good thing about the Febres Cordero administration is that it has motivated more sectors to join together to protest poor government leadership.

[Question] Why do workers not always heed the FUT's calls for mobilization?

[Answer] I think the platform of struggle is insufficient for the workers' interests, or does not express their needs. Moreover, the leadership has apparently forgotten to give the rank and file a political education. It should pursue a platform that makes the workers see beyond their immediate needs.

[Question] What role has the lack of turnover in leadership posts played in the apathy of some trade union sectors?

[Answer] The gerontocracy should end, and the leadership of the union movement should be rotated to invigorate it.

Platform of Struggle

- Raise wages and salaries by 8,000 sucres a month, and set the minimum living wage at 35,000 sucres, regardless of previous or subsequent increases.
- Freeze the prices of basic necessities, public service rates, and transportation fares.
- Solve labor disputes immediately.
- Respect the autonomy of the Ecuadorean Social Security Institute (IESS); pay adequate and timely attention to Social Security beneficiaries; freeze the interest rates of unsecured loans and mortgages; pay the government's debt to the IESS; and reorganize the administration of Social Security.
- Dismantle the organs of repression used by the government to engage in state terrorism; punish those responsible for human rights violations.
- Pay all public sector workers the responsibility subsidy and the six administrative efficiency bonuses.
- Impound foreign exchange and nationalize the private banking sector.
- Defend the territories of the Indian peoples and reactivate agrarian reform.
- Show solidarity with the peoples of Central America and restore diplomatic relations with Nicaragua.

Administration's Legacy Assessed

33480132a Quito HOY in Spanish 18 Apr 88 p 2A

[Article by Luis Ignacio Jacome, research economist with the Institute of Economic Research of Catholic University, special to HOY]

[Text] In recent days the vice president of the republic has asserted on more than one occasion that the national government will turn the country over to its successor in a similar economic condition (bad) to what it inherited in 1984.

This statement has two implications: one, that the new government will start out with an unfavorable economic situation; and two, that the situation was the same 4 years ago, which apparently "reduces the culpability" of the current authorities. Due to space limitations, I will refer only to the second of these implications in this article.

To discuss the shape the country was in when the previous administration left office, I will use the month of August as a point of departure, or if those figures are lacking, the ones corresponding to the end of 1984. I choose the latter period because there is a lag before the results of any economic policy measure show up. This, in general terms, allows us to extend the responsibility of the previous government to the end of 1984.

Based on this assumption, let's look at how things were in this country in 1984: Production (excluding petroleum) grew at a rate of 3.5 percent; the unemployment rate, in approximate figures (there are no reliable, precise figures on this variable) was no more than 10 percent of the labor force; the consumer price index was growing at an annual rate of 22.6 percent as of August of that year; the international monetary reserve amounted to \$120 million.

On the other hand, the country's debt was totally refinanced through 1984, and no interest payments were due. Although the country was more than \$100 million in arrears, it took out a loan of \$200 million to cover those payments. In other words, the country's foreign accounts were settled. Other indicators for 1984 can be seen in the table.

Given that 1988 is not over yet, we can use known figures for March 1987 and projections for the end of 1988 to get the previous fiscal year.

Thus, we find that the non-petroleum GDP will grow at a rate of 1.1 percent, according to the National Council for Development (CONADE); the unemployment rate was around 13 percent in 1987; the refinancing of the foreign debt is paralyzed; the country is in default on the standby agreement with the IMF; and it owes \$350 million in interest and \$66 million in principal to international banks for 1987, and nearly \$200 million to the Club of Paris and suppliers for the same period. Consequently, it has a negative monetary reserve.

Similarly, the exchange rate has been behaving in an erratic and unstable manner in the past few months; the financial system has been beset by serious problems that are well known; and the Central Bank continues to finance the imbalance in the public sector.

Although these imbalances will be reduced in 1988, they will still be high, especially in the public sector, according to the latest reports from the CONADE. Thus, it is clear that the incoming administration will inherit an

economy in crisis that will limit its capacity for reactivation and its ability to improve the lot of Ecuadoreans, unlike the situation 4 years ago.

Therefore, the vice president's assertion is partially true, in that we cannot blame the past for the ills of the present without adequate grounds.

Development of the Economy Under the LFC Administration

	1984	1987
Budget/GDP	-0.5%	-4.7%
Public Sector/GDP	0.4%	-10.5%
Current Account/GDP	-2.5%	-13.2%
Non-petroleum GDP	3.5%	2.6%
Consumer Price Index (Aug 84-Mar 87)	22.6%	36.7%

Source: Central Bank Compiled by HOY

08926

Lack of Opportunity for University Graduates Criticized

33480132b Quito *EL COMERCIO* in Spanish
18 Apr 88 Sec B p 1

[Text] The country is suffering from a very serious social problem that affects almost all professionals: the lack of work. This plight, with all its hardship, reflects the crisis in the Ecuadorean university.

As we all know, that crisis was precipitated when the classroom doors were flung open indiscriminately to all holders of the "bachiller" degree, when none of the country's state universities was physically or academically prepared for such an onslaught. The first consequence of this move was overcrowding of classrooms and the deficient education of students.

Another result was to thwart any attempt at planning, as a wild torrent of new graduates suddenly flooded the job market. The country's development needs have not been taken into consideration; in some areas there is a superabundance of professionals, as in architecture, dentistry, law, education, medicine, social communications, etc., while in other areas, such as electrical engineering, geotechnology, mining, and the like, there is a shortage.

The national press has described this situation using a dramatic and painful phrase that nevertheless reflects the truth: An academic degree in Ecuador is a certificate of unemployment that causes professionals to look to the state as the best and perhaps only solution; but no one has come anywhere close to solving the problem. In fact, we have come to a truly serious juncture: Through free higher education, the state is underwriting the cost of training professionals, and after they graduate, the state itself is supposed to hire them.

Underlying this, however, is an even more serious problem, as the daily EXPRESS in Guayaquil commented recently: The public lacks confidence in the new professionals. This lack of confidence is reflected in the scarcity of clients for those starting out in the liberal professions, whose greatest virtue is supposed to be their freedom and independence, which enables them to lead a decent, comfortable life that benefits the public. The new professionals who can afford to do so take postgraduate courses, generally abroad. There they complete their training and create an atmosphere of prestige and confidence that the Ecuadorean university did not provide. Hence the sad contradiction that practicing an independent profession has become an elitist activity, when the objective in opening the university doors wide open to all "bachiller" recipients was to democratize higher education, applying that highly touted principle, "the university for the people."

Add to all that the glut of professionals in the cities. Very few want to go to the countryside to practice their professions; they shun that duty because of the sacrifices involved, and they flock to the urban centers where there is no room for them. Often they must engage in activities that are completely outside their fields. The increasingly common cases of people unable to use their training are the most painful manifestation of the university problem.

The agencies responsible for Ecuadorean universities cannot deal with the problem in its entirety precisely because the student organizations will not allow them to, citing the power of compulsion. Thus, the situation is not just stagnating, it is actually growing worse.

We must change the orientation of our analysis of this situation, which is becoming an ever more intolerable burden on the nation.

08926

Soviet Official: No Military Plans for Central America

32980165a Port-of-Spain DAILY EXPRESS in English
25 Apr 88 p 17

[Text] Georgetown, Sunday (CANA)—The Soviet Union "has no military and political plans whatsoever" for Central America, a senior Soviet politician said here Saturday.

But Alexandr Alexandrovich Mokuanu, Vice-President of the USSR Supreme Soviet presidium, told newsmen the Soviet Union was seriously worried about "a blazing fire of hotbeds of tensions" in Central America.

The Vice-President heads a six-member parliamentary delegation to Guyana, Trinidad and Tobago and Jamaica. He told newsmen the Soviet Union strongly condemned the forces which pursue the policy of state terrorism against Nicaragua.

"It is impossible to understand and accept the policy of imposing systems of power on a sovereign state which it rejects," he commented.

He said the Soviet Union wishes to believe that there is a growing number of signs testifying to the fact that the policy of ensuring a mutually acceptable settlement of regional conflicts is making headway in international relations.

He said in this regard, Nicaragua's position of goodwill in implementing the Guatemala agreements and the policy of national reconciliation being pursued by the governments of Afghanistan and Kampuchea should evoke an adequate response.

The Vice-President said that the Soviet Union is now passing through "the growing process of profound transformation."

07310

Hoyte in May Day Address Discusses Negotiations With IMF

32980165b Port-of-Spain DAILY EXPRESS in English
3 May 88 p 17

[Text] Georgetown, Monday (CANA)—Guyana's negotiations with the International Monetary Fund (IMF) for an economic support programme are proceeding satisfactorily, President Desmond Hoyte said on Sunday.

He told a May Day rally that while a programme with the fund was not a panacea, it represented the key to Guyana's access to the financial inflows it needs.

Hoyte did not refer directly to newspaper reports that talks were stalled on the size of a further devaluation of the Guyana dollar and a cut in the public sector.

The government's discussions with the IMF have been criticized by opposition parties and the trade union movement but Hoyte, in his most forthright statement on the issue to date, indicated that there was no alternative open to the administration.

"We need massive financial inflows for the rehabilitation of our infrastructure, for supplying the needs of the social sector and for upgrading the utilities and these are not sectors that are going to be financed by private investment," Hoyte told thousands of workers assembled at the National Park.

The Guyanese leader said also the "fact of the matter" was that the sources from which Guyana can get external funding—from commercial banks to multilateral agencies—will not allow those resources to flow unless the country has an agreement with the IMF.

He said the only source of foreign funding open to Guyana at the moment was the Inter-American Development Bank (IDB).

"The fact of the matter is no matter where you turn, you have a reality to face. You can say you are not dealing with the Fund. But having said that, what is your alternative, what is your programme," the Guyanese President said.

"The Fund is the key. Without that key, I am saying to you—and I hope I am saying to you very clearly—that no resources will flow from multilateral agencies or from bilateral donors or from the commercial banks," the Guyanese leader said.

07310

**PNP Government Will Restore Diplomatic Ties
With Cuba**

32980166 Kingston *THE DAILY GLEANER in English*
27 Apr 88 p 3

[Text] Bridgetown, Barbados, April 26, AP: Jamaica would restore diplomatic ties with Cuba but also try and maintain a healthy relationship with the United States, if Michael Manley, President of the opposition People's National Party returns to power, P.J. Patterson, chairman of the PNP said.

"The relationship with Cuba will be no different from any other country in the Hemisphere," Patterson said.

Manley, a Democratic Socialist, was Prime Minister for two terms 1972 through 1980, when conservative Edward Seaga of the Jamaica Labour Party routed him in a bloody election in which an estimated 800 people were killed.

Seaga, who severed ties with Cuba, won re-election in 1983—a "snap" election Manley chose to boycott—and constitutionally may stay in office until next April, though elections are expected this year.

In recent polls, Manley has held a lead of as many as 12 percentage points.

Both parties and the arch-rivals themselves have held meetings to ensure the violence of 1980 will not be repeated.

In other areas, Patterson said a Manley government would strive for better relations with the Caribbean Community and Common Market.

"In the past few years, there has been an unduly high level of external interest being reflected in the decisions of CARICOM," he said, "We will restore leadership to the character of earlier years."

Patterson stressed that Jamaica under Manley would be at least as democratic as it is now under Seaga. Human rights would be respected, he said, elections held, and other democratic ideals fulfilled.

A social goal of a new Manley administration would be a more comprehensive anti-narcotics programme, he said.

Seaga has pinned his hopes for re-election on his handling of the economy, which Manley ran around. Tourism and bauxite revenues are way up, and there is more revenue in government coffers for spending on social programmes.

Nevertheless, Patterson said he did not think such a political strategy would work. Too many people still are out of work, he said, and wage increases have failed to keep pace with inflation. The former increased by 50 per cent, he said, while the latter surged by 113 per cent.

"The consequence of the growth in 1987 was to restore Gross Domestic Product to the 1983 level and in real terms when proper allowances are made for the changes in the dollar value the GDP in 1987 was around where it was in 1975," he said.

07310

Poll Shows Cardenas Ahead of Salinas

32480141 [Editorial Report] According to Mexico City LA JORNADA in Spanish of 6 May 1988, page 4, opposition political parties have begun appraisals of their prospects for the 6 July presidential elections. According to LA JORNADA, Cuauhtemoc Cardenas supporter Porfirio Munoz Ledo explained on 5 May that the results of a survey conducted by the National Autonomous University of Mexico School of Political and Social Sciences show National Democratic Front candidate Cardenas garnering 35 percent of the vote, followed by PRI presidential candidate Carlos Salinas de Gortari with 30 percent of the vote, and National Action Party (PAN) candidate Manuel Clouthier receiving approximately 20 percent. Munoz Ledo also said that a Mexican Public Opinion Institute survey treating the credibility of each of the candidates in the eyes of voters found Cardenas, here too, leading his competitors. The LA JORNADA report also indicates that the PAN has determined through its polls that 70 percent of registered voters plan to vote on 6 July and that one-half of them will vote for PAN.

Goal of 'Philippinization' Denied by Clouthier

32480142 [Editorial Report] Mexico City EXCELSIOR in Spanish of 14 May 1988 on pages 1-A and 17-A reports that National Action Party (PAN) presidential candidate Manuel J. Clouthier, speaking on 13 May before an Employers Confederation of the Mexican Republic breakfast gathering of some 250 businessmen in Mexico City, expressed his commitment to respecting the rights of all Mexicans if elected to the presidency. Clouthier said that his calls for civil disobedience have not been appeals for violence and that "the PAN does not seek to Philippinize Mexico, but rather democratize it through the participation of all Mexicans." According to the EXCELSIOR report, after the breakfast Clouthier told a rally held at the Azcapotzalco marketplace that electoral fraud will be made "almost impossible to the extent that there is a massive turnout of the Mexican people at the polls on election day," and, above all, respect for the vote is demanded.

Salinas Puebla Address on Democracy, Decentralization

32480131 Mexico City EL DIA (special supplement)
in Spanish 24 Apr 88

[Text of address by PRI presidential candidate Carlos Salinas de Gortari at party meeting on "The Challenges of Modernization: Democracy and Decentralization," 22 April 1988, at The Reform Auditorium, Puebla]

[Text] Members of the National Executive Committee and former chairmen of the committee; the honorable governor of the state, a distinguished member of PRI; my fellow party members; ladies and gentlemen:

Today marks the conclusion here of this intensive tour, during which over a period of 4 days and throughout the country distinguished activists, opinion makers, representatives of social groups and citizens have expressed their views on the great issue of democracy and decentralization. I would like to explain to you, to our party and to the nation how I propose to take up the challenge of democracy.

I have come to Puebla to talk about the future of Mexican democracy, because I want to put my conviction on the record. I am convinced that in order to be independent, just and strong, the nation must become increasingly democratic. I am also convinced that in the future we are not going to invent democracy or introduce a political approach that is alien to our struggles to build democracy and to an entire political philosophy developed with tenacity and devotion by the fundamental actor in our history: the people of Mexico.

Puebla is witness to how each page of Mexico's history, through long struggles and stark contrasts, results in an act of liberation and autonomy; liberation and autonomy understood to mean national independence, a vindication of popular sovereignty, freedom of expression of popular sovereignty, freedom of political expression, republicanism; in short, the aspiration to forge a society of men and women who are free and equal.

Crucial battles for the country's independence were fought in Puebla, which is an obligatory stopover on the way to the Atlantic and halfway to Mexico City. As a witness to and a participant in the great national debate over Mexico's first republican form of government, Puebla de los Angeles, which was divided like the country itself, would mirror the confrontation of ideologies and interests with particular starkness. It was here that the struggle between conservative and liberal thought was waged, here that the civil war between federalists and centralists began, and here that the deepest roots of colonial traditions and the boldest of progressive philosophies coexisted.

Puebla has been a land of contrasts. Because of it there was an uprising in favor of the Ayutla Revolution. The conservative generals organized here too. The struggles for and against the Tacubaya Plan were unleashed. The Reform Laws were imposed and also ignored. Puebla was the scene of one of the nation's great moments in achieving its second independence, when the French troops were defeated here. Since then it has been Puebla de Zaragoza. And years later, after peasant uprisings and pioneering struggles against the Porfiriato, Puebla lived the glorious epic of Aquiles Serdan, at the threshold of what was to be the world's first great social revolution this century.

Throughout our history we have developed a concept of democracy that has been able to embrace universal values of justice and freedom but that has also been able to adapt them to the cultural and material conditions of our society.

From Intransigence to Pluralism

The struggles for independence were struggles for self-government. This is the meaning of Hidalgo's proclamation and of Morelos' Sentiments of the nation. National sovereignty and popular sovereignty were one and the same struggle. Building the Mexican State took us almost a century of battling with weapons and also with words. Our identity as a nation was not handed to us, much less what it took to hammer out the consensus, on the rules and basic principles of social coexistence, that made it possible to turn war into politics and to move from intransigence to pluralism.

The Reform meant the consolidation of the national state and its territorial integrity. It proposed a balance between respect for individual freedom and the need to strengthen the state's authority to combat privileges. The problem was to build a system of constitutional limitations on authority at a time when political institutions were weak. It was a crucial battle against authoritarianism, for freedom and for sovereignty.

Our liberal century has proposed inalienable values to us: the idea of popular sovereignty, a republican, representative and popular form of government, the division of powers as a check on government and a guarantee of the exercise of freedom. But it also proposed to us, with unusual clarity, that freedom not only requires checks that will prevent authority from thwarting and denying its exercise but has also shown the strength of participation in the nation's causes. The liberals gradually responded to the realities of our people and acknowledged that without education and material development freedom was merely a guiding principle, a game for notables, but not an everyday reality for our people.

Culminating our 19th century heritage and heralding the new 20th century, the Mexican Revolution defined itself as democratic. The coalition of social forces that supported it came together around the motto "Effective Suffrage: No Re-election." Its original demands were the restoration of constitutional rule and a return to justice. It was a movement opposed to dictatorship, large estates, militarism, high-handedness and injustice. Its triumph was sealed in the Constitution that has been in force since 5 February 1917.

Our Blueprint for a Nation

The Constitution opened up broad horizons for Mexico's political and institutional development. The text of our Constitution was finally able to combine freedom and equality for the exercise of democratic life. The new Constitution received as its legacy the liberal struggles of the 19th century and brought in the social program upheld by the revolutionary coalition. Thus, the Constitution sets forth an explicit blueprint for society,

which the fundamental forces of the nation embraced. In this regard, the Constitution is, at once, the law, the consensus, and the vision of the society that we want to be.

Article 3 of the Constitution confirms that in speaking of democracy, we must first understand it as a legal structure and a political system. There is no confusion about this. The constitutional commitment is to insure that the organs of government are formed as a result of the expression of the will of the majority without abridging the rights of minorities. It unquestionably provides that we cannot accept any other principle of democracy unless we adopt an electoral system in which citizens participate actively. Our democratic faith begins with the electoral process and continues in the exercise of freedoms vis-a-vis all levels of government, in all organs of popular representation, in all spheres in which the individual takes part in collective efforts.

Equal Opportunity in All Spheres

Article 3 also provides for economic, social and cultural democracy, which commits society to adopt a style of development that will enhance the quality of life of the citizenry, with legal security, with renewed negotiation that is representative of their sectors, with the strengthening of the constitutional consensus that makes creative pluralism possible, and with an adequate diet, health care, education, housing, culture and recreation.

Without electoral democracy we undercut the aim of the Mexican revolution; with electoral democracy alone, the ideology of the Revolution is left incomplete and fragmented. This is so because the Revolution recognizes that the exercise of liberty is not carried out in the abstract, but under concrete social and economic conditions; the Revolution knows that in ignorance, neglect, and malnutrition, expression of the popular will is neither informed, nor free, nor stable. This is so because when an electoral democracy is isolated from any context of inequality, it is easy prey for those who have the most power and the most capabilities in society. Therefore, the national state of the Mexican Revolution cannot be the passive guardian of the rules of exchange, property and the electoral system. Its task is also to promote justice, democracy and liberty.

The achievements of the revolutionary governments, while always inadequate, have nonetheless been spectacular. In 1921 the population was 80 percent illiterate, rural, laborers, without health care services, cut off, with a life expectancy of no more than 35 years. Today, a diversified, plural and regional society that is predominantly urban and educated has been born, with an economic infrastructure of worldwide importance, with health care services and housing for the overwhelming majority of the population and with a life expectancy of almost 70, twice what it was when the armed revolution ended. Nevertheless, we know that what remains to be done is greater than what has been accomplished.

Step by step, as social complexities demanded, democratic initiatives have been undertaken and pluralism strengthened, not only in recognition of a fact but as a positive way of channeling and resolving social contradictions. The government of the Revolution and active national participation have gradually created the appropriate legal structure for the formation of parties and the organization of elections.

Under the governments of the Revolution the Mexican Electoral System has undergone dizzying change. The Revolution issued its first electoral law in 1918, amid conditions of backwardness and devastation. By 1929 an alliance of currents and a front of various social organizations had been conceived. Thus was born the National Revolutionary Party (PNR). Mexico was organizing the peaceful, orderly transfer of power and providing the state with social foundations, a qualitative leap that many nations have even now not been able to make.

First with the PNR and later with the PRM [Party of the Mexican Revolution], thanks to a complex, open and nationwide sectoral organization of the country's basic social forces, it became possible to put together and set in motion a program of rapid political, economic and social change that has contributed to the country's democratization. This precisely is the mainstay of the Institutional Revolutionary Party.

Not long ago polling places were set up by first five citizens who came to vote, thus creating all sorts of impediments and uncertainties. Not long ago electoral bodies in Mexico did not include political parties; the National Registry of Voters did not exist; there were no prerogatives or assurances for national or regional political organizations. Not long ago political parties with radical ideologies were prohibited by law; their activities were not political, they were criminal.

A bit more than 20 years ago the first legislators from minority parties were brought into the Chamber of Deputies as party deputies. Ten years ago it was exceptional to find representatives of minority parties in state legislatures, and 5 years ago there were none in most city halls. Today, as proof of the country's democratic progress, there is proportional representation in all legislatures and in almost all municipalities.

Concurrently, giving women and then young people the right to vote has broadened the range of participation. In the space of two generations the electoral process has become a rich, precise and complex system that brings together more than 1.5 million people just to organize the upcoming federal elections. Campaigns are launched under the system, and parties like PRI can offer the citizenry distinct and viable ideological and platform choices.

The parties are largely represented in electoral bodies and take part in screening the list of voters. There are well-defined authorities and representatives of the political parties at polling places to monitor and certify the legality of the elections.

An impartial Electoral Tribunal made up of prestigious jurists of proven impartiality has been established. We have electoral institutions and procedures for a democratic contest of authentic historic scope.

As in the rest of the world, Mexican electoral democracy is an unfinished, evolving process, with prospects opened up by the will of the masses to adapt to the change that their own action generates. We thus reject the image of democracy as a final state of affairs at which we all naturally tend to arrive. Democracy is a dynamic but not inevitable process; it is an act of will and perseverance.

Therefore, our democratic institutions need to be recreated every day by citizens, groups and sectors. Within them they subject themselves to the daily struggle against ritual and rigidity, between the dynamics of change and the risk of dispersion. This battle is never won before it is waged.

Accord, Unity and Direction

Over these last few years of crisis our institutional life has been put to a harsh test. There is no doubt that in spite of this test and in the face of the serious economic difficulties and the changes that have been prompted in political and social life, our institutions have proven their hold, their solidity and their effectiveness in generating social accords, maintaining the essential unity of Mexicans and giving direction to change.

Political practice creates institutions and political practice can transform them. The work of renewal that President Miguel de la Madrid has accomplished leaves us a judicial framework conducive to participation and social organization, attitudes and courses of conduct that strengthen a democratic exercise of authority and mark a new relationship between the state and Mexican society.

We could not fail to acknowledge that in this process our institutions and, along with them, political coexistence in the country have been strengthened. The institution of the presidency has reaffirmed its genuine republican meaning. The division of powers has been strengthened. We have a Legislature that has broadened its representation and expanded its functions. The Supreme Court of Justice of the Nation has been consolidated through measures to guarantee its independence and impartiality, and its nature as a constitutional tribunal has been restored.

A new groundwork for greater party competitiveness has been laid with a new Federal Electoral Code. Our federal system has been revitalized. In Mexico the mass media

are exercising their freedom as seldom before in our country's history. During the current electoral process all parties, regardless of their relative strength, have access free-of-charge to radio and television during the hours that are accorded the state. In few countries of the world do minority parties enjoy such broad prerogatives in the mass media. Today we are living in a climate of pluralism and liberty.

Tenacious work has been done to strengthen and perfect the Rule of Law and to promote a process of national renewal that will strengthen the country's sovereignty, make it economically viable, respond to its own social transformation, broaden the scope of freedoms and open up new avenues for democracy. The national renewal represents an unquestionable advance in our democratic life. This reveals the political talent with which the country has been guided during these years of crisis. This confirms the devotion to democracy of President Miguel de la Madrid Hurtado.

Fellow Party Members:

Mexico today finds itself in a process of transformation that touches all aspects of national life. We are faced with an outside panorama that is changing rapidly, in which the centers that generate the economic dynamics are shifting but in which the traditional centers of political hegemony still remain.

At home we are witnesses to and main actors in sweeping changes in the forms of political coexistence; in concepts, traditions and customs; in the perception that we Mexicans as a nation have of ourselves and our relations with the world. If to this we add that after a very long period of exceptional creativity the impact of the great reforms that were accomplished 50 years ago and that created the social foundation for our politics is fading, then we must address seriously and with great responsibility the necessary readaptation of our models of political coexistence through democratic and progressive reforms of our institutions.

Today we can anticipate the challenges of the future and the internal and external changes that are in the making. We have a chance to strengthen ourselves to face them. The only way is to work for greater democratic progress by recognizing what we have done to reinforce such progress and by adopting, with genuine responsibility, the approach that we will make changes where we have to and intensify efforts where we have not yet finished.

Democracy is a necessary condition for facing the nation's multiple challenges. We have a democratic history, principles and values to guide us towards the change that we propose. We have a stable and effective political system.

It is stable because it has the legitimacy of its revolutionary origin and the consensus acceptance of the Mexican people. It is effective because it has been able to make its

own changes in peace and through law, because it has been able to resolve differences and overcome conflicts through a majority accord among Mexicans, because it has always been able to renew itself and avoid lapsing into an institutional breakdown.

A Better Organized Society, a Stronger State

I do not conceive of the state as the antagonist of civilian society but as the political organization of society itself. Therefore, democracy is not a victory of society over the state; therefore, the democratization of the country is not predicated on weakening the state and on assuming that what is required is a simple transfer of power to civilian society, which, moreover, is not homogeneous as it comprises groups with conflicting and at times opposite interests and minority pressure groups.

To be sure, we need to broaden the avenues of social participation so that we can keep on building a stronger, more united, better organized and better represented society; but we also need to strengthen the state democratically and to modernize its institutional framework.

There are no power vacuums in politics; if one force is removed, another takes its place. Therefore, a weak society encourages authoritarianism, bureaucracy, corruption and inefficiency, and a weak state is not a prerequisite for democracy but rather the prelude to anarchy, foreign meddling or the predominance of oligarchic interests.

Therefore, we will change to strengthen ourselves, to give full democratic life to our political system, not to destroy it. We will make the reforms that are needed to have a better democratic life, to overcome the obstacles that stand in the way of participation, freedom and the development of a more just society.

Democracy is not defended through fear of change, with the idea that much has already been given up, as if being the majority or the government were a personal possession. Wherever a hint of such an attitude arises, my party will provide a firm and democratic response in favor of the transformations that the people of Mexico demand.

We must spur the changes that society demands, because there can be no democratic change outside the Constitution and the law. To the extent that government and society, institutions, parties, social organizations, groups and individuals restrict their actions to what our laws allow and encourage, to that extent we will be in a position to promote in solidarity new practices and new courses of conduct and to foster a better and richer democratic life.

The Majority Respect the Law

Democracy is not defended by destroying basic institutions, by undermining their prestige overseas, by rejoicing in their difficulties, by thwarting their projects'

chances for success. There are those who believe that the new political culture must be based on disobedience of the law and the weakening of the Rule of Law. From among their ashes, we are sure, they would gather ashes.

But let us remain calm. The majority of people in Mexico know well that democratic renewal is possible and will last only under the law, with a strong state and with social consensus.

Democratic life demands an affirmation of the consensus, because not everything can be open to an endless dispute among interest groups and individuals. Mobilizing everyone and subjecting everything to this struggle among interests atomizes and pulverizes institutions and paves the way for dictatorship.

Democracy is essentially an accord among citizens, organizations and sectors, which can disagree even on the terms that allow them to continue disagreeing, but without destroying each other.

National unity, solidarity in principles and acceptance of the basic rules of social coexistence are the essence of democracy. Without these rules and these principles diversity, pluralism and respect for differences itself would be impossible.

It is on the basis of the Rule of Law and the strength of our institutions that we will spur the necessary reforms. We will not promote radical change, but rather the democratic and progressive reforms that protect and strengthen the rights, freedoms and well-being of families and of the entire society.

On the contrary, if the reactionaries were governing, even though they proclaim democracy for tactical reasons, they would impose a government of privileges, curtail liberties severely and abolish social rights. It would be a government in service to other countries. The reactionary reform would lead to selfishness, exaggerated individualism, the weakening of community life and social breakdown and would endanger the nation's very viability.

If neopopulism were governing, politics would be a veneration of the past, not as a source of pride but as a regression. The so-called reform of restoration seeks to apply measures that at one time had great power to change but that today, in the face of new problems, in the face of the complexity of the social structure, in the face of the aspirations of the younger generations and in the face of the new threats from abroad, would be inadequate, obsolete and reactionary as well.

An attempt to implement these measures today would lead to a government that is prepared to say yes to everything and everyone, with expropriations as a norm, fronts as a policy, weakness as a corollary and, consequently, social confrontation, economic instability and political disorder as a result.

The existence of the opposition is proof that choices exist in Mexico, as democracy demands, but they are not acceptable to the majority of Mexicans. Our obligation is to maintain, through political modernization, the fundamental consensus of the Mexican people regarding the changes that they consider indispensable and the means to carry them out.

My fellow party members:

Democracy, Justice, Security, Information

Democracy will be the path for keeping the Mexican Revolution in power; to do that I propose that we move ahead in four major areas for a deeper democracy: institutional renewal of our political life; the securing of justice and safety for citizens; the mechanisms of social participation and organization; and the fields of information and culture.

Deepening democratization of our political life assumes an unqualified respect for the freely cast vote. Promoting the freely cast vote of citizens and accepting the will of the voters without conditions assumes that we agree that elections must be won by convincing the people and by providing specific answers to their demands; that we acknowledge the greater competition that the country's growing plurality signifies; that we base our majority status on respect for democratic procedures.

PRI's presidential candidate is not the only one who rejects obsolete practices and electoral vices; most Mexicans do as well. We seek to respect their wishes and to take the lead in their decision.

We are most certainly going to respect citizens' votes; we are going to carry out clean, verifiable elections. We are going to convince through organization and platform. We will defend our triumphs; of that you can rest assured. But we will accept our defeats. We will act with responsibility, but we will demand that others accept theirs as well.

We will act to strengthen our representative, democratic and federal system of government. Today, the need for political leadership, the complexity of public affairs and the growing dynamics of participation oblige us to move even further towards the balances that accord greater social responsibility to each of the branches of government.

We will move forward to reform the independence of the Legislature, so that it enjoys greater capacity to exercise its powers. In the Chamber of Deputies we must recognize our society's new plurality and the growing complexity of its internal work.

We will suggest to our party's legislators that they promote the adoption of a new internal system that will foster a more vigorous congressional life and that will acknowledge the responsibility of all parties in carrying on debates and discussing proposals.

In addition, we will modify the working model of the Grand Commission as an internal government body. We will also propose a careful review of the working mechanisms in committees, their makeup and number; a revitalization of the legislative function of our Deputies and greater responsiveness from our deputies and our party.

It is also indispensable to provide the Official Auditing Department of the Chamber of Deputies with the resources and powers it needs to effectively perform its functions of overseeing and monitoring the activities of the three Branches of the Union. All of the agencies of the Executive Branch must be subject to the monitoring and oversight of the people's representatives.

The Senate of the Republic must play a more active role in our political life. In this regard, we must spur a process of change that will broaden its activities, in foreign policy in particular. As a fundamental part of a renewed federalism the Senate must become an effective expression of the sovereignty of the states, it must be the voice of the federal pact via ongoing processes of consultation with and attention to the federal entities [the states].

I propose that we analyze open-mindedly the content of a modern federalism that will enable us to have an appropriate representation of our states, in light of the new development conditions in each region of the country.

We need a stronger Congress, but not as a prelude to a parliamentary system, for whose existence there is no historic reason in our country and which cannot possibly be politically effective or have a basis in the party system. But the strength of the Legislative Branch is indispensable to an appropriate balance of powers.

I will propose that the cabinet secretaries be more responsible to Congress. Moreover, Congress will be more actively involved in the planning process, and I will promote reforms so that Congress will have strict control, without exceptions, over the ceilings of foreign indebtedness; and I will work to give Congress the decision-making power to create or abolish decentralized agencies.

For a Strong, Nationalist and Honest Government

If the popular vote favors me and my fellow party members, what is a campaign commitment today will unquestionably be an effective government effort tomorrow.

I am convinced of the need for a democratically strong, not authoritarian, but firm and vigorous Presidency; not a harsh one that rides roughshod over the citizens but that is effective and responsive to popular demands. The growing competition among nations and the new forms of foreign intervention demand a nationalist, firm, honest, serene Executive Branch that has enough power to coordinate the tasks of promoting the national interest and defending our sovereignty. I intend to run just such an Executive Branch.

Within our nation the citizens demand that the Chief Executive have the powers that will enable him to run the government firmly and to opportunely discharge the responsibility that Article 89 of the Constitution assigns to him, as well as the capacity to arbitrate opposing interests; to settle conflicts, to coordinate, to negotiate and to concert, always with a view towards our nation's interests. His supreme obligation is to safeguard the national sovereignty. His limits are imposed by individual guarantees, social rights, the division of powers and the federal system.

In practice, presidential authority in Mexico is also limited by the criticism of the mass media and intellectuals, exercising the permanent and extraordinary right that is freedom of expression. In addition, the system of distinct political parties and the growing and ever more participatory social organizations that mirror an ever more vigilant and participatory society, represent an additional check on our presidential system.

Finally, an essential balancing element is the amparo proceeding, which sees to it that the Executive Branch complies with the law by having the Judiciary oversee the constitutionality of its actions. Therefore, there is nothing capricious or arbitrary about the exercise of presidential authority. We have an institutional system that has banished caudillos and caciques. The president of the Republic promotes consensus and respects the freedoms and rights of citizens and organizations. We are a country that is proud of its institutions because we know that they are perfectible.

A strong Legislature and a strong Judiciary are compatible with a strong presidential institution. Let us not forget that this is the system that has given us peace, stability and development; the one that has forged the initiatives that have broadened democracy, freedom and social rights; that has guaranteed national unity, the defense of sovereignty and the preservation of our independence; that has been an effective promoter of economic and social development. It is with this historic awareness that we must view the presidential institution in light of the new realities and in response to the more complex political and administrative leadership of Mexico.

The Role of the Opposition

The strengthening of the party system is the basis of the new political culture, one that rests on a firm and shared responsibility among the state, the parties, the groups

and the citizens, that takes up the defense and strengthening of the rule of law as a task for all political organizations and thus preserves the very conditions that make possible the exercise of freedoms and rights, civilized competition for power and the formation of national political representation.

Together we must precisely define our party life: the majority taking up challenges and responsibilities and the minority offering political competition that will promote a greater awareness and greater participation among our people.

We must remember that in a democracy the opposition has a role that is part of our political system and that furthers the tasks of government. We want responsible and strong political parties that respect the law and institutions, that work democratically to expand their social bases. Parties grow strong through the vote of citizens, through organizational work, through serious candidates, especially through serious candidates, and through work on programs. They are necessary institutional means for organizing political involvement. A devotion to democracy must dwell within them.

There is no doubt that the decisive role in this change belongs to the modernization of the Institutional Revolutionary Party. We will undertake its internal reform with the same energy with which we built our great party, with the same political effectiveness that has enabled us to govern. We will not achieve it all at once, but rather as the result of a complex effort to renew procedures, to form alliances and make political accords and to improve candidate-selection processes. From dialogue with the rank and file of my party and with its leaders and from an acknowledgement of internal pluralism and respect for the unfettered expression of ideas among PRI members, have arisen the principles of the internal consensus for its firm renewal and modernization.

The initiatives taken at the 12th and 13th Assemblies already chart a course that must be strengthened: greater constructive party involvement in government; greater party interest and political initiative in Congress; consultations with the rank and file; renewed internal procedures for candidate selection; the strengthening of social representation within the party; encouragement of those who are making a career of serving the community and the party, and ongoing political work.

It will be indispensable to bolster the party as an effective defender of the interests of the majority in Mexico, as an ideological vanguard in the modernization of the country and as a guarantee of the maintenance and furtherance of revolutionary principles.

The legislative work that our party does is fundamental. Therefore, we support the idea that our fellow party members in the Legislature should also sponsor reforms, amendments and improvements in our laws. The party

must provide them with suitable political leadership; they must effectively perform the function for which they were elected. In this way PRI and Mexico will emerge strengthened.

Change Without Detriment to Electoral Strength

With the appropriate timing, at our own pace and with the agenda that we members of PRI set, we will turn this consensus into a genuine internal reform. Everywhere, at all levels of our organization I have found a spirit and a determination to carry it out.

We will strengthen our social base of support by reaffirming our principles, by being the standard-bearers of the tenets of the Mexican Revolution, by strengthening teamwork and discipline among our activists, by activating membership and by recognizing new forms of association. We will modernize its procedures and renew processes of representativeness, thus enhancing the organization to head up the social transformation.

The modernization of PRI is a collective task. We will change, but to strengthen ourselves. We will change, yes, but not at the expense of our electoral strength and internal unity, which are the country's guarantees of democratic and revolutionary advance.

Our aim is to modernize in order to remain the majority and not to weaken ourselves and stumble amid the burdens and obstacles of parliamentary coalitions, where minorities end up governing.

We must advance towards a renewed federal pact. Let us realize that the magnitude of our development, population density and the diversity of our regions pose a challenge to the appropriate management of the community's affairs. The complexity and variety of problems make it impossible for a centralized government, whether federal or state, to be in close touch with the daily lives of citizens and to effectively promote the satisfaction of their demands.

Therefore, we will promote actions to further redistribute decision-making power in favor of the states and municipalities, to foster their economic development, to establish support mechanisms that will enable local government to modernize and to seriously spur an institutional reform that will make possible social and political involvement on the local level, that will free up social energies and that will achieve a more effective democracy. The states of the Republic cannot remain on the sidelines of our democratic challenge and the institutional changes that society demands.

With democratic resolve we will establish a greater and better division of powers in the states and greater influence for local legislatures by obliging mayors to explain the state of their city governments, so that the people

become more involved in and are better informed about the matters that affect them, which are the affairs of their community. Let us build a democracy in service to citizens.

The Goals of Decentralization

Decentralization will enable us to strengthen the social content of democracy; the battle against inequality; the promotion of better living conditions for the people in terms of schooling, health care, housing, diet and supplies; the defense of our cultural values and the preservation of the liberties and social rights of Mexicans. It will be an in-depth decentralization, inside the Executive Branch, with greater accountability to the Legislature, in the party, in the organizations, within the states themselves. I maintain that a vigorous federal pact cannot rest solely on the will of the government of the Republic. It requires a firm commitment from state and city governments to spur it on.

The securing of justice and safety for citizens is another element in deepening our democratic life. Citizens must be certain that the legal order protects their freedom and provides safety for them, their families and their property. Democracy is an everyday fact when citizens are in contact with government bodies and when government bodies are able to respond with greater assurance to their deeply felt demands.

In this field we can find many concrete actions that give life to or undermine a democracy. I propose that the gains be deep, irreversible and committed. The most acute and deeply felt example is our system of administering justice. We need to explore mechanisms for citizen control and oversight of both the administration and achievement of justice. The Public Ministry and the police corps must be vehicles for affording safety to citizens, not for undermining it. Only thus will we be able to banish high-handedness, bureaucracy and corruption. Democracy is not possible if citizens are unsafe.

The function of guaranteeing constitutionality that the Supreme Court of Justice already performs is an advance of far-reaching importance in strengthening safety for the enjoyment of civil rights. The underlying advance has already been made. We will now seek its full exercise.

As I will tell the legislators from my party who are elected, Congress should be afforded more active participation in the procedure of confirming Supreme Court justices. What society is demanding is clear-cut, up-front procedures that focus on publicly proven competence. And we will also have to afford citizens a better chance of having their rights more broadly protected, by substantially improving the institution of the court-appointed defense counsel. We want all citizens to feel that the law protects them, not only in theory but also in practice.

Democracy also demands that we recognize the new social plurality, which is expressed in a desire for more and better participation, organization and representation. It is undeniable that alongside the political forms of participation, our accelerated transformation has made possible the emergence of social groups whose objective is not only politics but also the improvement of the daily life of the community and that legitimately demand opportunities and conditions for involvement, a voice and decision-making in public affairs.

Participatory democracy has already demonstrated that it is enormously effective in promoting a better life within the community. It must be strengthened with conviction and breadth. Supporting its organization and incorporation into institutional life is an indispensable task in a democratic system. The political parties have a great responsibility to fulfill vis-a-vis these new groups. But the federal, state and city governments must also accept the fact that the enormous, exceptional freedom of expression that exists in our country must be complemented in practice by an exceptional freedom of action for citizens.

I propose that we take advantage of the experience of these years to lend institutional status to the mechanisms of concerted action that have been essayed in various areas and affairs of government to strengthen the popular representation of society. The referendum and the popular initiative will be used. But we must specify areas, materials and instruments to prevent each issue from becoming a crisis or a battle of principles that does nothing to further the march of democracy but does paralyze government action. In allowing concerted action and in encouraging consensus, we will retain democratic planning as a firm method of government.

We must embrace the effort at and the demand for democratization of the social organizations themselves, not only in relation to the state but also in terms of their own responsibility and the role that they play vis-a-vis their members. In demanding broader avenues for participation, civilian society must acknowledge the responsibility that this entails and the need to strengthen its leaders and representatives, organizations and groups, so that the state can negotiate and have effective communication with legitimate spokesmen who truly represent the interests of their members.

Clear Rules for Information

We must also take action in the field of information and culture. There can be no doubt that information and the formation of public opinion constitute an essential condition for the thorough exercise of democracy. We could not aspire to a more responsible, aware and participatory life without the involvement of a society that is continually and accurately informed and that is capable of generating a consensus and orienting government action.

Therefore, in Mexico the mass media are jointly responsible for the proper unfolding of the democratic process. They must practice freedom of expression fully and responsibly. It is on this foundation that we must move forward toward a better relationship between the media and government, between the media and citizens. A relationship that must be based on respect, criticism and clear rules for the protection of their own profession, their lives and the dignity of citizens.

I propose an in-depth discussion of all these issues to my party and to society at large. Let us review what we have done so far and also what we have failed to do. It is first up to the mass media to make helpful proposals.

Throughout my campaign I have tried to get Mexico to speak, as an indispensable stage of consultation that precedes and strengthens the citizens' casting of their votes. I have sought to listen carefully and to answer truthfully, because the time has come for Mexico to transcend the subculture of rumor, mistrust or incredulity. I will use simple, direct language because this is precisely how the Mexican people express themselves. Let us act and think openly. To foster a new political culture in citizens means convincing them, with facts, that their political actions and decisions are important.

The generations that have gone before us created the institutional groundwork and reorganized the social fabric in accordance with the guidelines and programs of the triumphant Revolution; they had to consolidate the stability of the regime and take the first steps towards development, which was unbalanced in some areas but, on the whole, fruitful and indisputably positive. Our generation, the generation of renewal and national modernization, is facing the historic challenge of making possible the full exercise of our liberties and greater equity under current world conditions.

Democracy Begins With Elections

Let us be clear. The struggle for democracy is not devoid of difficulties, risks and conflicts. It is up to us to take up the positions of greatest responsibility. I have said that our generation is not defined by ages but by attitudes. I am certain that with the experience and drive of democratic PRI members we will be able to discharge the responsibility of seeing to it that government decisions are made by political cadres who are trained to listen, conciliate, negotiate and coordinate the tasks of national development with political skill and administrative talent but above all with loyalty to Mexico and a devotion to service.

We will encourage our political cadres, the ones who understand that Mexico is a democracy and that democracy does not end but begins with elections; that the act of governing must be an ongoing responsibility with an express and concrete mandate from the citizenry; that

governing is done before the eyes of the people, with a conviction to serve and with the full awareness that the people monitor, oversee and assess their actions on a daily basis.

The advance of democracy obliges us all to be self-critical in government, in social organizations, in political parties, in administration, at work, in the practice of our professions, in peasant organizations. A new political culture of participation, solidarity and moderation is a democratic imperative. We all have an obligation to banish the inefficiency, the irresponsibility, the failure to perform and the irregularities that hurt others. In Mexico today there is an enthusiasm that hopes to trigger the most important and sweeping changes that a nation makes when it is determined to observe the values that it professes.

Our values today demand an authentic exercise of our political liberty; new and better modes of conciliation, consultation and negotiation; helpful kinds of encounters among groups, among regions, among the branches of government and between the citizen and the state. This is a culture of law, of respect, of tolerance, of self-criticism, of change with historic clarity.

These are historic times. All are clamoring for more democracy. It is up to us members of PRI today to pledge ourselves to guide the change. We are going to head up the democratic reform that the nation is demanding of us today. Being the majority means that we represent potential change. Those of us who belong to PRI know that our party will continue to lead Mexico's democratic transformation. We will have to avoid the exacerbation of conflicts, intolerance and the use of nonpolitical resources.

If the popular vote goes in my favor, I will prevent, under the Constitution and the law, attempts to substitute the use of force for the prolonged and difficult task of political organization and the development of consensus.

I will lead the changes in which the people are truly interested. I will not yield to short-term political pressures, nor will I make changes without proper preparation, support, reflection and lead time. The opposition does not determine urgency for me. The people of Mexico do, as well as my conviction about stepping up the pace to resolve the nation's problems.

My fellow party members, the challenge is more and better democracy, without self-seeking confusions, with a desire for a new political culture.

More and better democracy, it is true, does not automatically resolve the problems of development; nor does it alone guarantee success in meeting the social challenges, which are the sharpest and most difficult, nor the defense of Mexico's interests overseas. But without more and better democracy we have no legitimate chance of achieving any of these priority objectives of the nation.

With it we can glimpse, with reasonable optimism, a future of greater economic prosperity, greater social justice and greater national strength.

My commitment and the commitment of my generation is to democracy.

Let us win the future for the good of Mexico!

Thank you very much.

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Population Rise of 1.8 to 2 Percent Projected for 1988

32480144 [Editorial Report] Mexico City EXCELSIOR in Spanish of 27 April 1988 carries an article on pages 4-A and 33-A that cites a National Population Council statistical report that projects a 1988 population growth rate for Mexico of between 1.8 and 2 percent. The Council report attributes the achievement of this rate to government policies aimed at holding down the growth that sextupled the Mexican population between 1910

and 1980. If the reduced rate of growth continues, according to the report, the population should total 96 million by 1994 and, if the rate declines to 1 percent, the population should register 100 million by the year 2000.

Mazatlan Bishop on Respect for Vote

32480143 [Editorial Report] Mexico City EXCELSIOR in Spanish of 14 March 1988 in the "Political Fronts" column appearing on pages 1-A and 11-A reports the announcement by Mazatlan Bishop Rafael Barraza that in June the Church will begin its orientation of the faithful on the issue of the common good of society. The Mazatlan bishop has pointed out that this orientation policy tends to work against voter abstention. He also said that if one is refraining from voting because of shortcomings or irregularities that have occurred in the past, "it is now necessary that the means be sought to prevent their recurrence and that if it is suspected that a citizen's ballot has been tampered with, such should be reported; there should exist a disposition to protest." (For related reporting, see JPRS REPORT: LATIN AMERICA of 3 March 1988 (JPRS-LAM-88-009), pp 46-48.)

Omar Cabezas on Censorship, U.S. Attitude
32480114 Mexico City UNOMASUNO (SABADO
Supplement) in Spanish 9 Apr 88 pp 1, 3-5

[Interview with Sandinist leader Comdr Omar Cabezas, by Kent L. Johnson and Russell H. Bartley; in Managua, 25 February 1986]

[Text] This interview with the well-known writer and Sandinist leader, Comdr Omar Cabezas, was prepared by those signing it, and held on 25 February 1986 in Managua, by Kent Johnson, a talented U.S. poet, prose writer, and literary critic. It was later sent to this newspaper from the United States and, on that occasion, suffered the vagaries of the international mail, which conspired to prevent it from reaching its destination. We have achieved this now, taking advantage of a brief stay in the DF by that UNOMASUNO collaborator, to have it delivered directly.

Nevertheless, the delay in its coming to light has detracted neither timeliness nor significance from the keen responses given by Cabezas to our questions 2 years ago. On the contrary, as a whole, they constitute a new, valuable document for the cultural history of Nicaragua, as well as a contribution to the analysis of the ideological struggle also being waged the world over in the cultural realm. They will, in turn, become part of a book to be published by the U.S. publisher, West End Press, under the title "Creativity and Revolution: The Cultural Transformation of Nicaragua." Russell H. Bartley, correspondent.

[Question] According to the press, there are rumors circulating in the United States to the effect that you are not the real author of "The Mountain Is More Than a Green Steppe," and that, in fact, the book was written by Cuban authors for propaganda purposes.

[Answer] The Yankees are geniuses! Just think, the first time I was in New York, about July of last year, I met a reporter from TIME magazine whose name I think was George Russell. We spent about an hour talking with that fellow (very conservative and very well-groomed). And so, the interview was held. Since it was never published in TIME, my representatives, Crown Publishers, asked him, well, why had they taken my time if they weren't going to publish the interview? So, he answered that he wouldn't print the interview because the Crown people were very naive, and didn't realize that this was a Cuban-Soviet intelligence plot; that they had assigned a team of men to find out the psyche and emotions of the United States (really?), and had compiled a book to impact the American psyche subliminally.

So, what do I think about this? Besides being common and poorly educated, that fellow is not even political, not even immoral, but ugly. He's ugly! I think that this man from TIME is someone afraid of himself, because he read the book and told me that he had not slept the night before, because of reading the book, and that it had had

an impact on him. But, some people have an anticommunist sentiment that is not on a rational, but rather on an instinctive level, devoid of reason. So (and this is my guess), I think that, at best, accepting the book as true caused him to be fearful and panicky; do you understand me? Because, if what the book says is true, the Sandinists are human beings after all; that would run counter to his logic for forming values, and against an accumulation of logic instilled in him from boyhood, when he was learning his A,B,C's and watching cartoons on television: crap, crap, crap, crap. The crap that they can instill in you!

[Question] You were recently in New York, as the guest of honor at the PEN conference. What impressions did you take from that conference? In your view, what is the significance of its main topic: the writer's relationship with the state?

[Answer] Look, I took away some good impressions, and some very bad impressions. I received good impressions because, well, after all I had the very privileged opportunity, let's say, of being able to share somewhat with the greatest living authors. The fact that I was able to meet a group of people personally, to share with them and listen to their experiences, was a wonderful experience for me. However, this was a congress that was a gigantic anti-communist crusade. It's hard for the Yankees to put on an event without coloring it. They aren't very pluralistic, let's say, even though they claimed it was an exchange of great ideas.

So, it was a little like a big anticommunist campaign that smears, you know the kind? There are films that are very nice, very nice, which at the end give you some crap that spoils the film. And here, there was constant dumping on the socialist countries. In other words, there was no need to border on that type of thing. And the congress in general, starting with Shultz's speech, was filled with a lot of primitivism.

[Question] Some might think perhaps that, in your opinion, it's irrelevant to discuss issues of artistic freedom in the socialist countries.

[Answer] No, by no means! That seems like a most interesting discussion to me. To discuss the relationship between "the writer's imagination and the state's imagination" is something nice, and also heated. What I'm telling you is that if you make a film using great photography, a great script, great subject matter, with great actors, and very lovely music, you have no right, as an artist and a person sensitive to beauty, to end it with some great crap. Do you understand me? So, in a way, that's what happened at the PEN conference: they converted a topic that was interesting into the subject matter for a gigantic anticommunist event. And, inexplicably, they obviated the cultural and informational McCarthyism that exists in the United States. Kurt Vonnegut gave a lecture that was an honorable exception.

I can tell you that they wasted my time for 3 days, filming here in Nicaragua for the program "Good Morning, America." They asked me to kindly accommodate them; and I accommodated them. I went with the crew to film the various sites where the book was written. And no one showed up. And when there was a conversation with Peter Collins, the one who came with the ABC crew to do the filming, he answered with great embarrassment that his editor had told him I couldn't appear because I was too positive. What crap! I can tell you what happened with "USA Today," which cut two articles out of my book, because the editors thought that they favored Nicaragua. And how many examples of this crap are there? The fact is that it's a concealed ideological censorship, that they don't make public.

So, what bothered me about the congress was not that there was criticism of the socialist countries, but that it was a one-sided congress, where the strong insistence upon dumping on the socialist countries took place in a great absence of questions about those sometimes invisible obstacles that a capitalist, monopolistic society imposes on the truly free exercise of the artistic function. It is from this standpoint that I tell you that there was a dreadful odor of ideological primitivism at the PEN congress. Paradoxically, it seemed to me that there was a lack of imagination.

They asked me there what I thought about the state's imagination; whether I thought that the state had an imagination or not. And I replied that I wouldn't speak for their state, but would speak for my state, agreed? Then I answered them as follows: "Look, my country's state is that of a country whose international airline maintains only two planes. It's such a small country that it has only one oil refinery, one cement factory, and one soccer stadium. It's such a small country that its capital has just 10 or 25 movie theaters. And this country's state is in confrontation with the state of the most powerful nation on earth, with MX's, Pershings, nuclear submarines, B-52's, a huge number of oil refineries, a huge number of airplanes, a huge number of movie theaters: it's super-powerful. And that powerful state wants to destroy this little country. And although it has condemned it to death, it has been unable to destroy it in 6 years. Would it require imagination to survive under such conditions, or not?

And there is the matter of my book. My book breaks off from the traditional rules. It demythologizes the comandantes; it demythologizes the powerful in this country, depicting them as weak beings, like the human beings that they are. It reveals that they masturbate. And I tell everyone that the comandantes "[vulgar term for masturbation]" as we put it! That usually doesn't happen in other countries, making the leaders of a government appear in front of everyone in all their humanity. I believe that this says something about the state's imagination in my country; because if we were inflexible here,

if we had the idea of creating "personality cults" around the leaders, the New Nicaragua Publishing House, which is the state publishing house, would never have printed my book!

So, I think that the subject was treated in a very Manichaeian way, resulting precisely from what I mentioned to you earlier about a primitive anticommunism. I think that, with a little more open mindedness, less sectarianism, and less fear of communism, the matter would have been treated in a richer manner. But, since the treatment was always imbued with dumping on the communists, the topic was deprived of richness. Because there are problems between the writer and the state in all countries. In some countries, the problems are overt, and more clearly visible; in others, they are more hidden and subtle, but no less dangerous to the writer's creative integrity.

[Question] When you presented your topic at the congress, was the Nicaraguan Government's position toward the writer and his creative freedom criticized?

[Answer] I want to tell you that there was very little criticism. In fact, there was only one, from a NEW YORK TIMES employee, whose name I don't remember, but who gave me the impression of being a hack. So, he told me that there was no freedom of creation in Nicaragua. And I answered him as follows: "I come from a country in which there are no poets jailed. I come from a country in which no poet has been expelled because they would not allow him to write his poems; in which no singer has been imprisoned for his songs; in which no painter is forced to paint in a certain style. We haven't expelled any artist from my country for his political preferences." I told him: "And we have never done such things; though they are done every day by a dozen countries that are supported by, and are 'allies' of your government, which you perhaps consider to be the defender of freedom in this world."

[Question] Could this have been partially a reference to press censorship?

[Answer] Of course, because when I told him that, he berated me for the business of press censorship. So, I told him: "There are some specific restrictions on the press in Nicaragua. And we have even shut down a radio station, namely, Radio Catolica. But we didn't close Radio Catolica because we are against freedom of speech, because in Nicaragua they don't jail people for being doctors, mechanics, or taxi drivers. Rather, here, if a doctor who was a fool in his car killed a child crossing the street, that doctor would go to jail. But he would not go to jail for being a doctor; he would go to jail because he killed a child. And if a pastor or a priest breaks the law, he too will go to jail, not because of being a Christian, agreed?, but because of having broken the law. Because if that were the criterion, the majority of prisoners in this country are Sandinists, but they aren't in jail for being Sandinists. They are imprisoned because they stole from

a factory, killed someone on the farm, or beat another person; for that reason, and not because they are sympathizers of the revolution. And a naked person on a New York street would be jailed for going about naked.

Now there is a law in Nicaragua, which we didn't invent, which also exists in Spain or Costa Rica, for example, that when the president of the republic intends to broadcast an important message (OK?), in time of war or in peacetime, and with far more reason in wartime, to the nation, all radios must be set at the same dial so that the message will be heard.

So, they send a helicopter with a ground-to-air missile after us which the CIA has irresponsibly given to the counterrevolutionaries, dangerously bringing in sophisticated weapons to an irregular group (the first time in the history of irregular battles in Latin America that this has occurred), killing 17 Nicaraguan soldiers. Then the president intends to broadcast his New Year's message, in which he reveals to the world that the CIA has escalated the conflict dangerously, giving the "contras" sophisticated weapons for the first time. We are at war and the charge is going to be made. Then Radio Nacional calls upon all radio stations (both government and private) to set their dials to carry the message. And Radio Catolica does not set the dial. So, they begin stating repeatedly on the air: "Brother Radio Catolica, please set the dial, because the president of the republic is going to transmit a very important message." And they don't set it. The president begins to talk and, while the president is talking, when there is a certain pause in his comments, they say: "The brothers of Radio Catolica are not setting the dial." So, we didn't shut down Radio Catolica for being Catholic, but rather for going about naked in New York, for going about naked in Managua.

So, there are laws here. It could just as likely have been Radio Sports, or Radio Love, or Radio Anything. We wouldn't have closed it for being sports or love, but for having openly defied a law in a civilized country where laws, after all, exist.

Understandably, our enemies published it all over the world as if we had shut down the radio station for being Catholic, understand? And that appeared in all the newspapers in the world. And, when we held the press conference to explain why we closed the radio station, no one showed up.

And look how life is: 3 days earlier, they were imprisoning a bishop in Rome for going to another country with \$50,000 in his pocket that he had not declared in customs. There in Rome! Not for being a bishop, but as an Italian citizen who was filling his pockets under the table. And, of course, they treated it as something sensational. But we, who are at war, who are defending ourselves, enforce a national law, and they immediately depict us all over the world as violators of freedom of

speech. So, this is an open card game, in which only those who want to remove us from power believe that we are violating freedom of speech. That is the real fact.

Furthermore, there is the situation with the newspaper LA PRENSA, which is under certain restrictions. They asked me about it there, and I told them: "Yes, it's true, LA PRENSA is under restrictions. But we haven't done anything different from what you have done. During World War II, you assigned two and even three shifts in the factories in Chicago, Detroit, Minneapolis, and Massachusetts, to sustain the war production line; and you banned strikes. And no information left the war fronts unless it had been approved by the government. If the WASHINGTON POST or the NEW YORK TIMES had said that Hitler was a marvel, wonderful, or the 'champion of freedom,' they would have censored, if not closed them. So, the president of the United States, Franklin Delano Roosevelt, was forced for reasons of war to establish restrictions, in a war that was not being waged inside United States territory, but on the other side of the Atlantic. And we, a tiny country with a war inside our territory, confronted by the most powerful nation in the world: you ask me why LA PRENSA has been censored in Nicaragua! I'm the one who should ask you why your government has ordered me and my wife to be killed. Your Congress has approved ordering Nicaraguans who have done nothing to be killed. I'm the one who should ask why they have done this. People are being torn to pieces on the highways, even civilians, by the mines set by the U.S. Marines! Live terrorism! They cover up our sun; we are cold; we put on an overcoat to ward off the cold; and they criticize us for wearing an overcoat!

I asked that fellow in New York something like this:

"Do you think there is any relationship between the practice of the arts and the exercise of free speech, in the political realm? In other words, do you see any connection between the controversy over the role of the news media (for example, in the case of LA PRENSA) and artistic expression? And if you do, what might its possible implications be for a cultural policy on the part of the Sandinist government?"

There is freedom of artistic expression here, as a principle. Now, we think, at least I think, that art, and literature in general, should play a positive role. When I say "positive role," I'm not talking about a "Sandinist realism," but rather about a literature that should contribute to the people's happiness, apart from whether this is possible, because there are some people who do not have this view. And they are entitled not to have this view. The important thing is those who do not have this view should not harm those who don't think as they do; just as others should not harm one who doesn't think as they do. I don't know whether I have explained myself. So, where is the line? Not to do any harm. If I want to sing of the garbage, because I'm fascinated by the lovely heaps, the plastic bottles and waste, and find them incredibly beautiful, seeing colors and human figures

and spatial figures in the garbage, I'm entitled to that. And if I like nothing more than to sing of women's dark eyes, then I'm entitled to do so. And if I'm a homosexual, and want to sing of the beauty of the masculine body, then I'm entitled to do so. And if I'm a woman, like Gioconda Belli, whose eroticism is delightful (Gioconda Belli says atrocious things in her poems!), then that's all right. Besides, everyone knows that those poems are dedicated to Henry Ruiz (that is public knowledge), who is a commandante of the revolution. And her poems have never been cut for speaking of "Modesto's" [nickname for Henry Ruiz] buttocks. In other words, both those on the side of the revolution and those not on the side of the revolution are entitled to create, in any form of expression that exists, or that they wish. The line is drawn when they begin harming the revolution.

[Question] Poems by Pablo Antonio Cuadra and other Nicaraguans, based on subject matter overtly opposed to the revolution, have certainly appeared in LA PRENSA LITERARIA.

[Answer] But they still haven't done any harm; they haven't done any harm.

[Question] But when does the poet start harming the revolution?

[Answer] Well, the fact is that this hasn't happened yet; understand? So, just having a crystal ball here, what I can tell you is that, if we have the Yankees inside here, and Pablo Antonio Cuadra begins printing in the newspaper: "I sing of Reagan, because he has come to save us," or "I sing of these troops with blond hair and blue eyes, who have come like Apollo from the sky," then I consider this a good occasion; understand? Or the day when Pablo Antonio Cuadra starts writing: "I sing of the FDN [Nicaraguan Democratic Force] soldiers, who have come to save our women and children"; then, I think that this is the end of Don Cuadra's freedom to publish, at least in the newspapers. Because there, brother, it's no longer a matter of ideology; it's a matter of common sense, of common and formal logic.

Now, just as art or literature can play a positive role, they can also play a negative role. Because, if, in the cultural supplements, we begin promoting only Solentiname's "primitive" painting; and if, in poetry workshops, we were to promote nothing but the poetry of Gioconda Belli, or Fernando Silva, or Julio Valle; and if, in the newspapers, we began publishing only the poems of Ernesto Cardenal's line, or only those of Pablo Antonio Cuadra, I think you would have a negative influence, because you would be propagandizing and promoting the creation of one particular type of art or literature in the society. What has been done here, precisely, is to disseminate everything that has quality, regardless of whether it be of one type or another; do you understand?

[Question] You claim that a plurality of styles is possible, because it contributes to deep aesthetic probing. Some would also claim that an ideological plurality in art is positive, healthy, and even necessary. Doesn't it seem to you that the publication of poems the subject matter of which is markedly critical of the revolution contributes, in a dialectical sense, to the ideological development of the revolutionary writer?

[Answer] Of course; that's not bad. Only, if we told everyone to think as we did, we would be plagued, because we would have given up our plan. That now becomes a different plan. There is an ideological reproduction here. LA PRENSA reproduces its ideology. So, it would be absurd to go about cutting poems that are opposed to the revolution when there is a newspaper coming out every day which is a centerpiece of the imperialist psychological war. To be sure, there is always the possibility that the war might be escalated, and, in that case, it is possible that we would adopt more stringent measures against LA PRENSA.

[Question] Do you mean that these "opposition poets" are free to publish, not because it's a matter of tactics for the FSLN, in the sense that censoring them would necessarily harm the image of the revolution, but rather a matter of principle?

[Answer] Of course! Therein lies the root of the matter. Cultural pluralism is an integral part of the revolution's political plan. Because it would be foolish to lose Pablo Antonio Cuadra, one of the greatest poets in Latin America, by censoring a poem of his reflecting his ideology. Here, there is a political plan based on plurality. If this were not so, we wouldn't have a number of political parties in the National Assembly. We would have only FSLN.

[Question] The argument put forth by the United States Government is that these examples of pluralism to which you refer exist precisely because of the military pressure that is being brought to bear against Nicaragua.

[Answer] Because that is what they are selling to the U.S. people, brother. And the sad part of it for us is that so many swallow it.

[Question] If that military pressure were to end, what would the effect on internal political activity in Nicaragua be?

[Answer] What would I say to the people in the United States? I tell them: "You are needling. You accuse us of imposing the state of emergency. If we didn't impose the state of emergency, you would impose it! When you approved the war in Congress, you approved the restrictions in Nicaragua right there. You lift that crap, and what sense does it make? What excuse would we have for maintaining it?"

Let each one make his statement. The opposition makes its statement; we make ours; and we have a political struggle, understand? And the very owners of newspapers and radio stations that never published our position when they were killing us are talking crap. They never published a communique of ours even in the paid space. Adulators, ardent believers in "freedom of the press," when we wanted to announce that a comrade who had raped a female comrade had disappeared, they never published anything of ours, not even in the paid space.

[Question] In your interview with Margaret Randall, you commented that, as a university student, you made the conscious decision to read only texts in sociology and Marxism, omitting the authors of the "boom" period that was starting its rise at that time. Now then, it could be claimed that such a divorce between political and literary concerns is artificial, and even harmful; because, by not considering the role of literature in one's overall ideological training, one's political perspectives are, rather, distorted, or at least impoverished. In the light of your own experience as a revolutionary and a writer, how do you evaluate that decision of your university years? Would you give the same advice today to a young revolutionary: that he should omit literature, in favor of political economy?

[Answer] That's a nice question, associated with my own personal history. I was, and am almost still a detractor, because I had been unconsciously running toward literature. It is a very individual, very personal, intimate, and very mental problem. I was running deliberately, because there were even times when I sensed something inside, and repressed it. And I thought that I was going insane. Because I looked at some things in the reality surrounding me, and made internal, mental abstractions; and I was beginning to say things about the outside world mentally, but unreal things, and I was starting to think that I was going insane.

And it was not until after I took out the book and read Garcia Marquez that I realized this was called "surrealism" in literature: the things that I thought were driving me insane; which I even thought of while writing the book, but didn't include, for fear that people might think I had gone insane now.

[Question] Do you mean that you had never read Garcia Marquez before writing "The Mountain"?

[Answer] No; and I said so in my remarks before the PEN Club in New York. I hadn't read either Vargas Llosa, or Cortazar, or Garcia Marquez, or Galeano, or anyone. I didn't even know the names of Mailer, Miller, Grass, Styron, or any of those. And I admitted this there, because I didn't want to be an imposter. I went there to the PEN Club "accused" as a writer, because of the innocent circumstance of having written about a part of my life, and having published it. Then, when I wrote the book, they began to needle me that I resembled Garcia Marquez, or this and that; and saying: "Whom are you

trying to fool, claiming that you never read Garcia Marquez?" Then, I began reading Garcia Marquez. And I read "Chronicle of a Predicted Death," once when I was going to Europe, to Paris, a long trip. I took the book so as not to be bored. It fascinated me, and I said to myself: "Look, all that this son of a bitch is saying comes from where I come from. This son of a bitch is as crazy as I am!"

So, I realized that I really wasn't going insane, but that it was my ignorance of the fact that I was a repressed writer. Then I sensed a great many things. I even remember, at a demonstration, when Somoza had given a big oil concession to a multinational firm over on the Atlantic Coast, I attended a meeting at which all students were called upon to protest such ignominy. I attended, and there were about 30 students present, and I was overcome with disillusionment and grief. I recall my disappointment then. I ran home, sat down, and wrote my first poem. And when I wrote the poem, I wrote it in retaliation, for revenge, right?, at what was happening, and in protest over the indifferent attitude of my colleagues who had not awakened by that time at the university. Then I realized that something was going on inside me, but stirring inside me unconsciously. But it was my fear about not confronting the situation as a writer, for fear that the things that I was imagining and seeing meant insanity. Let's say it was a wrong decision, made out of fear and dread.

All those are matters that I have been analyzing retrospectively, and I have been clarifying them since the victory of the revolution. Throughout the struggle, I felt a grief that I couldn't understand; a real grief, in my bones, at times. I couldn't convey it. And it was the repressed containment of some things that were necessarily related to literature, the dreadful need to create; a need to share, to give. And that was what grieved me, the absence of that. And it hasn't been until now that I have realized, when I began analyzing some details, such as when I went home to write that poem and, on another occasion, when I had a strange feeling and went home to write a story (who knows where it is now?), that I left in a box when I went off to war. So, I realize that I wrote that at a time when I was pent up, when I was pent up inside by the accumulated burden that I had within. Certain situations were the little drops that made the glass overflow, and, pum!, the poem emerged, and pum!, the story emerged. So, you are given room to continue filling yourself.

[Question] Do you think that you would have written "The Mountain" if you had not repressed what you had inside for so long? Would you have been an even better writer than you are if you had embarked on literature in the traditional way, as a learner, let's say, reading, writing, erasing, and writing again?

[Answer] I don't know, you see, I don't know. What I can tell you is that I don't like to read literature. I read Garcia Marquez' book, and one by Cortazar; and I'll

admit to you what I have never told anyone: When I read Garcia Marquez and Cortazar (and I don't want this to be interpreted as a lack of modesty), I realized that I didn't have a whit to learn from them. I had nothing to learn, because I have a lot of things inside me that are no different at all from what is there. I have lots of things, and even more things. And I find that, when I read, it's like repeating things, images, the insanity that I have inside. And so, that doesn't motivate me to read. On the contrary, I am grieved when I read, I am grieved not to have time to write; because I have a lot of things that want to come out.

[Question] Besides your own testimony, is there any work of fiction inside as well?

[Answer] Look, I don't know the definition of fiction. Maybe someone has it, but not I. Because the other things that I have yet to write are things that have happened in real life. For example, one of my favorite characters is my father. My father is a wonder. My father is a fellow who first...well, my father ran away with my mother's sister on the day of my mother's sister's 15th birthday party. And there are a lot of stories about him. My father was a genius by profession, because he had to do everything not to starve to death: as a shoemaker, a miner in the gringo mines on the Atlantic Coast, and a bricklayer. And then he discovered how to make soap. He was on the street, idling, and kicking a jar; and inside the jar there was a formula for making soap, in English. And, since he spoke a little English, that he had learned in the mines, he went home and began making soap. He made soap for the house, and later for the block; soap for the neighborhood, soap for the town, and soap for the western part of the country, right? He started with a bicycle, and later had a horse-cart; and still later, a jeep, and then two jeeps. And he kept on growing, until he became a small industrialist. He invented the soap-making machine, the molds, and the entire process that he used.

[Question] Does your father still have the business?

[Answer] The Guard killed my father. My father died in the most cruel poverty, because he was finished by the U.S. soap companies that were just arriving. He couldn't compete, and they made him bankrupt. So, I say that my father's hopes were killed by those who came here with their big capital from the "land of opportunity." And what Somoza did was to finish the job, taking his life.

So, there are thousands of things, thousands of experiences, thousands of life situations. And when I read Garcia Marquez, I know about them already. I'm not saying that theirs are crap, or anything of the sort. On the contrary, they are great, and I admire them greatly; because they were capable of doing it, and I was incapable of doing it. Even the chapter in "The Mountain," when I say that the mountain moves, and begin talking about the mountain, that it should be on our side and all that, when Tello dies, I inserted that chapter a day before

the "Casa de las Americas" contest; because, when I did so, I said to myself: "Man, they're going to think you're crazy!" So, I took a lot of things out of that chapter, and left that fragment. And, in a daring act, I left that in, risking their believing me to be crazy. So, it helped me to read Garcia Marquez, to find out that this is what contemporary human beings call literature. Now, I am giving it free rein. Now, I feel comfortable with the unconscious.

[Question] Thus far, your literary production has been in the genre of testimony. Why do you think that this type of expression is emerging at present, particularly in Latin America?

[Answer] Now I'll give you another explanation: Since I wrote the book, I have become involved in problems, serious problems. Because, what's the situation here? I'm a person uncultivated in literature, I'm uncultivated. And, after I wrote the book, people began thinking that I was a writer, and that all writers know about literature. So, I have found myself in strange situations, where they come asking me what I think about literature.

How the hell do I know what is literature?

So, they begin asking me what I think the function of literature is, in interviews like this; and I don't even know crap about that. Because I haven't read literature; I have read a lot of sociology. So, let's say that, until this book that I'm writing now, I've been considering what I think of literature, so as to be able to at least give a semblance of an answer when they ask me theoretical questions about art. Do you understand?

So, you'll forgive me.

[Question] Could you talk to us a little about Leonel Rugama? You two were friends and classmates at the university. Perhaps it wouldn't be an exaggeration to say that his image has had an almost mythological aura here in Nicaragua. What was he like? And why has his example wielded such an influence among Nicaraguan writers and artists?

[Answer] Look, I think that Leonel has given a major dimension to culture here, because Leonel was the embarrassment of writers and artists. Because, before the victory of the revolution, during the 1960's, anyone who was a poet was a poet, and had no social commitment. Then, Leonel began preaching, because, since he had quality, he was known in the circles of poets as well. He began preaching that one must have a social commitment; that one cannot create without loving; and that the best way of loving is to give and give oneself to the people; and that writers should engage in the struggle, if they really loved, and had sensitivity.

Preaching armed struggle at that time was insane, and everyone criticized him (save a few exceptions in the circle of painters), so as not to compromise themselves.

[Question] Then, in a way, did Rugama retrieve the legacy of the Window Front and revive it?

[Answer] That's it! And in the most important sense.

[Question] Was Rugama familiar with the Window Front? Had he collaborated with them?

[Answer] No, because he was a very young child. At that time, people were afraid of Leonel's behavior, because he took away their comfort. And there was an end to the discotheques, an end to the bars, an end to a lot of this and other things that had begun to form something like the superstructure of the lives of writers in those years. Leonel started developing a consistency that frightened others, and they began saying that Leonel was crazy. So, they asked him: "If you believe in that, why are you talking crap and not going to fight?", not realizing that Leonel was already working with the Sandinist Front clandestinely. And they asked him: "Why don't you practice what you preach?"; not realizing that the man might show up dead any day. And, of course, Leonel couldn't answer them categorically.

Then, when Leonel died, the impact occurred. And everything took its dimensions from the way in which Leonel died. And all those artists and intellectuals who had been talking crap about Leonel felt like cockroaches. So, Leonel's death had an impact on Nicaragua because of the quality that he had among all intellectuals, writers, and artists. His death caused a genuine trauma and subjected the intellectuals and writers to a moral depression; because, after Leonel's death, they had to make a decision: either to continue singing of Eros and the concept of nothing, or do that and join in the struggle simultaneously. Both things: and to spend less on rum, and send more money to the Front.

So, Leonel's death marked a definitive phase in the cultural movement here in Nicaragua; because if Leonel had not existed, there would not be just Pablo Antonio Cuadra or Mario Cajina Vega, there would be just as many others.

[Question] To what extent do you, who knew him, think that his feat was a conscious act; in other words, a sacrifice suffered knowing that it would necessarily have repercussions which, in fact, it has had within the intellectual community?

[Answer] It was marginally conscious; in other words, it was conscious, but his conduct was not primarily to make the intellectuals feel bad. Certainly, quite certainly, Leonel knew that, if he died, it would have an impact, in the sense that all those who had spoken badly of Leonel would bite their tongues. And he knew that the honorable ones would to some extent reflect, as in fact has happened. I'm even sure that Pablo Antonio Cuadra himself, whom I admire personally, because his work goes far beyond the wretchedness of his own ideology, was impacted by Leonel's feat at that time.

[Question] Do you have personal relations with Pablo Antonio Cuadra?

[Answer] No, he may not even know what I think of him. We spoke once or twice at the beginning of the revolution, but later he became isolated. So, Pablo Antonio Cuadra is a man who is greater than himself. His work exceeds his political or ideological activities. His political attitude has even caused him to succumb to some ugly things, for example, the rudeness with which he treated Mario Vargas Llosa; but, what does it amount to? It's just as Vargas Llosa does what he does with his articles.

[Question] You mean the article on Nicaragua that came out in the NEW YORK TIMES Magazine?

[Answer] Yes, yes. I can tell you that the U.S. Embassy was the one which proposed to the Nicaraguan bourgeoisie that they set up Pablo Antonio to challenge Vargas Llosa, because they had no other prestigious person. And Pablo Antonio Cuadra, with his political viscerality against the revolution, lost his head (which doesn't befit such a brilliant man as Pablo Antonio) and began making rude remarks to Vargas Llosa.

So, then, a man like Pablo Antonio, if he ever leaves the country, may possibly leave, not because we persecute his poems, but because there is a shortage of vaginal deodorants for his wife, a shortage of skin creams, a shortage of the 25 brands of deodorants and 30 types of cologne and 53 colors of nail polish. After all, though he is against us, we can't rid ourselves of the liking for his work. It would be like saying that "The City and the Dogs" is bad because Vargas Llosa is of the right. If we did that, we would be succumbing to the wretchedness to which they succumbed at the PEN Club.

[Question] Could we return to Rugama?

[Answer] Yes, I told you that I had little or no connection with literature before writing "The Mountain." And I think that, strangely enough, Leonel had something to do with that, with my being that way, because Leonel was a very caustic critic of artists. Leonel had little personal respect for Nicaraguan authors. And Leonel's slight respect was due to the fact that Leonel was grieved by the fact that they were not committed. And that made Leonel very sad; it made him sad and angry; it irritated him. So, he spoke pejoratively of intellectuals, including those of the "boom" period.

Leonel loved the literature of Cortazar, Fuentes, Garcia Marquez, Vargas Llosa, and Onetti. He loved literature. But he needled them, because he claimed that they were not committed to their people, when their people were starving to death; saying that their people needed them, and that they were going about traveling in Europe, drinking rum and "espresso," and talking about the

revolution in coffee houses; and then they would go to an apartment with a woman at three in the morning, rising at eleven to go to the university, and give or take courses.

The fact is that this delighted me. When I was in the fifth year of high school, I remember going to apply for a grant, because I wanted to attend the Sorbonne in Paris to study art and literature. That delighted me at the time. When I was in the fourth or fifth year at the university, I wanted to leave Leon, because I felt confined there, and dreamed every night of the River Seine and the cafes of Montmartre. That was what I wanted to do: drink wine, read a lot, talk about the revolution in coffee houses, make love with a different woman every night, get up at eleven to go to class, return, play the guitar, and drink more wine. That was my dream.

I didn't do it, because I became involved in the revolution. I met Leonel, and he started saying that all those things were crap. And I didn't admit to him that being a writer in Paris was my great dream! So, it is due to Leonel, partly because of his conviction and his intransigence toward armchair revolutionaries, that I began losing interest in such things and, indirectly became dissociated from the world of literature.

[Question] Of course, during those years, Rugama's intransigence could play a positive role, in the sense of clarifying the matter of the intellectuals' "apolitical position." However, do you think that this attitude is still valid? That is, writers such as Cortazar, Fuentes, and Garcia Marquez have shown in recent years that it is possible to be consistent, and to support the processes of social change in a significant way, without going to the mountains with a rifle.

[Answer] Now, Leonel would be very happy with Garcia Marquez, just as he would be very happy with Cardenal. Ernesto Cardenal became committed after Leonel's death. Leonel, with Jaime Wheelock, also published in the university students' literary magazine (at that time "Che" had just died, and there was a slogan saying, "create two, three, many Vietnams." And Ernesto was living in Solentiname, isolated on his island, writing poetry and painting. And he had no commitment. So, to annoy Ernesto, he and Jaime Wheelock published, I remember, a photo showing a chalice, with the caption, "create two, three, many Solentinames," as if idolizing Cardenal's attitude of going to the island, like an ivory tower. And they say that Ernesto understood the message.

[Question] Did Rugama develop his ideas about the committed artist on his own, or did he receive some influence from outside?

[Answer] Leonel was greatly influenced by Roque Dalton from El Salvador. He was a great admirer of the latter's poetry. And after I read on the mountain a book entitled "Unfinished Poetry," that the Cubans had taken out (an anthology by young poets who had lost their lives in the

revolutionary struggle, including Otto Rene Castillo, Javier Heraud, Dalton, and many others), I read Dalton, and realized that his work was very similar to the poems of Rugama, and that Leonel's way of joking and annoying (a first-rate needler) was the type of irony used by Dalton in his poems. I don't mean that Leonel copied Roque, because he had his own genius. But he did have an influence. And that also shows you that, here in Latin America, when committed poetry is well done, it transcends borders and becomes a vital element in the revolutionary struggle.

[Question] In an interview with the Canadian magazine, *IMPULSE*, you mentioned your participation in the revolutionary theater movement during your university years. One of the most appealing facets of the current cultural flowering in Nicaragua is precisely the amateur theater movement. How do you explain this phenomenon, and what prospects are there for its future development?

[Answer] I worked in theater during 1968-69. Our group even won a Central American prize in the first competition held for university theater. This is a nation of poets, where everyone is a poet unless he proves otherwise. But this is also a nation of actors. And we used that skill that we have for acting during the war, both with street propaganda theater and by pretending that we were innocent when the Guard had caught us, or by infiltrating the enemy ranks.

But the one mainly responsible for all this that you mentioned in your question is named Alan Bolt. Alan Bolt was the son of a bourgeois, a Matagalpa millionaire, who sent him to school in Europe. And unbeknownst to his father, who had enrolled him to study law or something similar, Alan studied painting and dance. When the father found out he cut off his funds, and Alan earned his living with a dance company in Paris and Germany. Upon returning to Nicaragua, he returned with the entire philosophy of the European left. He was in Paris in May of 1968, etc. And he also brought back sexual liberalism. Alan came back claiming that the human being is beautiful, regardless of whether it is male or female. "Beauty has no sex," said Alan, "beauty is beauty,"

But he also brought back an entire doctrinal foundation, and people here were going about with a different view. And Alan went about with the view of the classic European, as well as U.S. left, of those years. But, he hit upon an environment, that of Leon University, where we were working to change the world. We wanted to transform the world ourselves. So Alan, who also wanted to change the world, joined us to change the world. Since he was not a fighter, he began to contribute what he had mastered, namely, theater. And the first theater group was created at Leon. He came back fascinated by Bertold Brecht, and Alan Bolt is the one who brought Brecht to Nicaragua. Then, Alan created the theater group and

began holding functions at the university, in the factories, on the street, at the exits of movie theaters, and in high schools, putting on sketches from real life, about what was happening. And when they saw that the theater was catching on, the Guard began persecuting and repressing the group.

Then, Alan proposed that more than one group should be formed (groups in neighborhoods, factories, high schools, etc.). And when the members of the group returned to their respective towns, they were assigned to form their own groups. And then, suddenly, groups began appearing in Managua, Chinandega, Granada, Rivas, Baco, Jinotega, and Matagalpa. And there was a tremendous popularization! It would not be fair to say that the popularization is happening just now. What exists now has its precedent in the years of struggle.

[Question] Did the Praxis and Gradas groups result from this experience?

[Answer] No, those groups were more elite. That is another phenomenon. I am talking about something more violent, more deeply rooted. I tell you, brother, for the sake of history, that I don't know who did more harm to Somoza, whether it was Alan Bolt or I. Alan is a perfect cultural comandante. The harm that Alan did to the dictatorship with the theater has not yet been publicized, because people are very concerned about other things. But I think that, some day, Alan Bolt will have to be given the historical credit that is rightfully due him.

[Question] And were these groups organized on the national level? Did they have a coordinator?

[Answer] No, later no; later, they became so popularized that there was no organic form. And, furthermore, there was no money. There wasn't even a car for traveling between towns. Alan was a generator of ideas, and then he issued some general guidelines on how things had to be done. They were done, and it had an enormous, subversive impact; and it's a shame that the process that occurred is not better known. Some day, someone will have to write the history of the theater in Nicaragua's revolutionary struggle. Would that Alan himself would write it!

[Question] A recent work by Bolt, "The Word, the Devil, and the Flesh," appears to have caused some controversy when it was introduced in Cuba a short time ago. The main character is a homosexual, and his sexuality is depicted in a frank manner devoid of negative connotations. Does this treatment of homosexuality as something acceptable in a work produced by the National Theater of Nicaragua on the international level perhaps reflect an attitude that we might call liberal, on the part of the FSLN, toward homosexuality?

[Answer] I spoke with a gay group in San Francisco when I was there, and I told them that we had no problems with homosexuality here in Nicaragua; that this was a

matter of the individual freedom of anyone (one who is homosexual, for being homosexual; one who is bisexual, for being bisexual; one who considers himself macho, for being macho; or one who wants to be a hermit, for being a hermit); and that we revolutionaries didn't criticize anyone's sexuality. Of course, the society is something different. The society has had a macho education, that you can't eliminate overnight. But all right, there is no question that we have homosexuals in the ranks of the revolution, and they are not persecuted on account of that. If anyone commits a crime, he goes to jail, whether he be a Christian, an atheist, or a homosexual. But no one is jailed for being homosexual. So, we might say that we have no prejudice against persons who opt for a love relationship with someone of their own sex. That would be primitivism. Machoism is primitivism. And, in our society, we have a great deal to overcome in that respect.

[Question] In the United States, there is much talk that homosexuals are persecuted in the socialist countries. If, in fact, there has been abuse of homosexuals in certain socialist countries, have you reflected on that, and learned a lesson from those experiences?

[Answer] Well, I think that homosexuals have been persecuted and abused in all the nations of the world, haven't they? But I don't think that our attitude stems so much from what I would call a socio-sexual study of other countries. It stems from our own experience. Because, if we risk our lives with Alan Bolt, what does it matter if Alan Bolt makes love with another man? That's his business. It isn't reprehensible, it doesn't represent weakness, it's simply his affair. If we all risk our lives, why would homosexuality be criminal now, if it wasn't criminal during the struggle?

I used to envy Alan, because he made love with the most beautiful women at the university, the prettiest! Everyone envied him. And he also made love with a man. And in the arts, here, as in the dance, many of the artists and directors are homosexual or bisexual; but no one has dismissed them from their positions.

[Question] Among many Americans, there is currently a supposition that the Third World revolutionary movements are a tool of "Soviet expansion." Hence the persistent claim that the Sandinist popular revolution constitutes a facet of the East-West conflict. If Sandinism represents a new, independent movement in revolutionary experience, how is this manifested in comparison with other experiences based on or influenced by Marxism?

[Answer] Look, this has two aspects. The United States' problem is very serious. With absolutely no desire to offend, I would tell you that the average U.S. citizen is such an uncultivated, such an ignorant person politically that if you grab a 13-year old boy on the street here and grab a 13-year old boy walking on the street in the

United States, and begin measuring the degree of political, historical, and cultural information that those two boys have, nine times out of 10, the Nicaraguan will have a far higher level of information.

I have observed in the United States much talk about propaganda in the socialist countries, and totalitarianism in the non-capitalist countries. And one is frightened to see how so many people don't even realize that they themselves are submerged in a propaganda system which is unequalled in the world for its immensity and sophistication: a truly totalitarian ideological system, operating not only on the level of political indoctrination, but also on profoundly psychological and subliminal levels. And the effect that all this ideological fabric has on the people is not only anticommunism on an intellectual plane, but also ignorance, apolitical attitudes, and alienation. I think that, in the realm of ideology, the people of the United States have been inculcated with Pavlovian concepts, with conditioned reflexes. It is no coincidence that they are now trying to link us with Qadhafi, because the concept of terrorism has already been instilled in them. According to the government and the press there, Qadhafi is equivalent to terrorism; so, if we have diplomatic relations with Qadhafi, we are obviously terrorists too. Terrorism has become another stereotype, another model forming part of the universe of the U.S. political mentality. And these stereotypes are very cleverly manipulated by those directing United States policy.

The East-West conflict is another model very much in vogue. And the model's popularity is based on the United States people's ignorance of their own history; because children and adolescents in the United States are not taught that their government has ordered military forces to invade us 16 times; they are not taught that their government imposed a bloody dictatorship on us for nearly 50 years; they are not taught that the Manhattan skyscrapers are little cardboard huts in my country, the little huts of Guatemala, Chile, Mexico, Africa, and Asia; they are not taught that the big freeways crossing their country are narrow dirt roads in my country and other exploited countries. With all the money that they have taken from us during this century, we would have created a paradise. They stole a paradise from us! They are not taught that there. On the contrary, they are taught that the United States is generous, that it "aids" these

poor countries which are poor because they are poor, who knows why? Now, part of all this is the belief that, if a revolution is influenced by Marxism, then it must be an accomplice of Moscow. And that is crap.

The Reagan administration is quite well aware that this is a model of our own; that we are trying to solve our problems based on our own reality. They are quite well aware that we don't want to abolish private property; that political pluralism is an integral part of our strategy for social and economic development. They know this. And that is why they are waging war on us, not because we are a base for "Soviet expansion," but because we are a bad example to the other countries of the hemisphere that they want to continue exploiting. There are nuances, and different viewpoints in Marxism. We have studied Marxism, and we use it as a tool for analyzing and better understanding our historical, economic and political reality. Of course, we have adopted measures similar to those of other revolutions, such as agrarian reform or nationalization of certain sectors of the economy. But we are not an "arm" of anyone. It would be hypocrisy to deny that Marxism is important to us. But we have studied Marxism with an open mind and when we put it into practice it is with an independent spirit, based on our own circumstances, with great sensitivity for our country's economic, political, and cultural realities. I'm not telling you that we are perfect, far from it! But we know dogmatism and its implications. I tell you that fighting at the present time for a communist society, not only in Nicaragua, but in Latin America, is nonsense, madness. It would be as stupid as the Reagan administration (which is the greatest manifestation of ideological dogmatism in this world) trying to impose its own model on us.

The point is that, if you are taught from childhood that the only colors that exist in the world are black and white, when you are grown up and they show you yellow, you say: "That's a lie; it's not yellow, but black." That is happening to many people in the United States regarding Nicaragua. Reagan tells them that we are part of the Soviet plot to grab the hemisphere, and they believe it. We continue to be black, regardless of how the yellow shines on us.

Presidential Candidates Discuss Economic Issues

Fernandez Predicts 'Boom' if Elected

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[Article by Rosita Regalado]

[Excerpts] Ciudad Bolivar, 17 April—Eduardo Fernandez, candidate for the Social Christian Party (COPEI), participated yesterday in the 18th Annual Assembly of Concomercio. He gave a wide-ranging speech in which he outlined the principal features of his government program. Among them, he emphasized a greater role for the private sector in the production process while allowing the government to deal with matters within its own purview. These matters include the enforcement of the National Constitution in areas such as efficient public services, providing a better atmosphere for investment, and guaranteeing both personal security and legal security in general.

"It is time we recognized that the engine of development is business and the workers, not bureaucrats. I fully intend to change the old model of development drastically. And the new economic program will have a sense of priorities. Moreover, looking at the problem of international trade and the impact it has on Venezuela, which must channel its comparative advantages toward foreign trade, my government will create a ministry to deal with international economic production."

The idea of continuity should be maintained, he pointed out, because we have examples such as the case of the Caracas Metro and the petroleum holding company. On the other hand, he cited policies such as that for aluminum, which seems fascinating but will not accomplish anything until the present system of exporting unprocessed raw materials is changed. If things remain as they are, we will be selling cheap energy and then buying its products.

Fernandez repeated that he will carry out his government economic activities on five fronts: basic enterprises, agriculture and agroindustry, tourism, small and medium industry, and construction. In the new development strategy, there will be security and stability in the rules of play, he asserted.

"Regarding the central document of this assembly, I hereby pledge—and that is why this speech is being taped, so that I can be held accountable if I fail to follow through—to do away with existing, outmoded structures that have brought us to indebtedness and inflation. It takes courage to change the present model, and I have that."

He reiterated his proposal of a "Package to the Winner", which is none other than a commitment by the two candidates, he and Carlos Andres Perez, to sign a document whereby the one who wins the presidency agrees to implement a plan to develop the economy along new lines.

"Any new strategy must be devised on the basis of an evaluation of the errors committed in the past, and the incorporation of Venezuela into an integral economic design that contains a plan for outward growth in all the five areas I indicated earlier."

He confirmed his decision to restore the Central Bank of Venezuela's autonomy and to establish monetary policy on the basis of the total GDP, rejecting the present government's notion that the only factor in growth is public spending. He also stated that no devaluation measures will be applied to boost artificial income and keep the budget deficit intact, as the Lusinchi administration did.

During the question and answer period, he was asked about the bureaucracy, the economic guarantees, and the situation on the border, among other issues. He responded:

"If the country gives me a chance, I can assure you that we will have an economic boom during my administration. And I will restore the economic guarantees, because during the 28 years that this constitutional guarantee has been suspended, there have been repeated promises to restore it. Nevertheless, despite many opportunities to do so, no government has restored it."

"With regard to the border situation, I do not believe it is a problem. On the contrary, I regard it as a market opportunity for our products, for exchanges, for attending to the needs of the large population that resides in that area between Venezuela and Colombia."

[Question] Will corrupt COPEI members be punished under your government?

[Answer] Of course, it is an obligation to punish people within the government, because corrupt officials are dual traitors.

He added that prices have risen more during this presidential term.

"If we weight the inflation rates of the last few years, we have to conclude that the value of the bolivar today is less than 100 percent of what it was 3 years ago. This means that there has been a real deterioration of workers' income, which justifies not only the raise that the Confederation of Venezuelan Workers (CTV) is requesting at this time, but also very possibly special mechanisms to offset that erosion of income. But the saddest thing of all is that it is due to an electoral policy."

Perez Would Reinstate Commercial Guarantees
33480134 Caracas EL NACIONAL in Spanish
18 Apr 88 Sec D p 1

[Article by Americo Fernandez]

[Text] Ciudad Bolivar, 17 April—The government has managed to heal and reorganize the public administration, and to restore international financial confidence in our country. But in terms of economic policy, there have been a lot of errors and omissions, stated Carlos Andres Perez at a press conference in this city.

Accompanied by the regional leadership following a speech before the Annual Assembly of Consecomercio, he stated that it is preferable to take action under a comprehensive economic policy, and to discard the disastrous tendency to take impulsive economic measures.

He added that we should not pursue import substitution as an end in itself, and that we must be careful to prevent non-competitive substitution from becoming part of the country's industrialization process.

Referring to the inauguration speeches at the Consecomercio Assembly, he said that he was impressed by the serious attitude and the clarity of ideas, although this does not mean that he agrees with everything that was stated.

He hailed as an extraordinary advancement the fact that the Council of Industries is participating in a Consecomercio Assembly for the first time, considering the closed-minded antagonism that has characterized their relationship until now. This means that they understand that they are a complementary part of a single process of economic development.

"I am willing," stated Carlos Andres Perez, "to sit down at a table with all the presidential candidates so that the country can find out how we think and can really establish parameters of comparison on the ideas that separate and unite us presidential aspirants."

He indicated that he is willing to debate not only the COPEI candidate, Eduardo Fernandez, but also other candidates, because he does not want to contribute to the distorted notion that Venezuela is owned by Democratic Action (AD) and COPEI.

[Question] How will you and your party respond to what appears to be COPEI's strategy of basing its campaign on charges of corruption?

[Answer] Our party and the government must accept all kinds of criticism and charges that are advanced. When something true comes out, we must not vacillate; we must recognize it and take steps to correct the situation.

This will be our tactic in response to COPEI's apparent strategy. Now, an election campaign based on defamation, slander, and diatribe is not a proper campaign.

Answering a question about the restoration of the commercial guarantee, former President Carlos Andres Perez stated that his first decree in his second term as president will be to restore the guarantee of the freedom of trade that was suspended 30 years ago.

"What is provisional in Venezuela becomes permanent, and it is time we did away with that old practice."

He pointed out that although the freedom of trade has been suspended, the Venezuelan Government has looked the other way while monopolies and oligarchies have been formed and established. In other words, this guarantee did not serve to prevent it.

[Question] Do you believe that the government was correct in paralyzing the Free Port of Margarita by suspending the influx of dollars?

[Answer] I think that while studying the charges, the government was correct in freezing the quotas, but it should have complemented that measure by authorizing the free importation of dollars so that the Free Port of Margarita would not become paralyzed.

When asked whether it wasn't a mistake to convert the Free Zone into a Free Port, given the complexities of the social situation, services, and the ecosystem in Margarita, CAP responded that "if it had not been made a Free Port, I would make it one myself."

Fernandez Calls Currency Situation 'Worrisome'
33480134 Caracas EL NACIONAL in Spanish
15 Apr 88 Sec A p 4

[Commentary by Eduardo Fernandez]

[Text] Charges of alleged corruption in the allocation of foreign exchange for the merchants of the Free Port of Margarita, levied by a reliable source in the opposition, have caused the country to once again take up a matter that has been of increasing concern not only to the businessmen who have repeatedly complained of such behavior, but also to those of us who are naturally interested in the developments that affect Venezuela's present and future.

Corruption, about which we all hear complaints every day everywhere, adds a factor of irritation and disorder to a picture of mismanagement of foreign exchange by the government, thanks to a thoroughly erroneous policy.

Our parliamentary bloc will insist that Congress conduct a serious investigation of foreign exchange allocation.

There is no right to subject an economic activity we all know needs reinvigorating, in the interests of the nation, to the additional pressure of the crookedness and greed of a few officials who want to derive illicit gain from their positions.

The desire to gain equal access to foreign exchange within a stable set of established rules and in accordance with carefully thought-out policies and clearly delineated priorities is valid for Margarita and for the entire country. The vices in question are harming businessmen, consumers, company employees, and commerce and industry throughout the republic.

But they are also harming university centers and libraries that are unable to obtain magazines published in other countries and foreign publications in general, which are indispensable for keeping up with the times. And readers, who see the availability of titles shrink while prices in bookstores skyrocket, also suffer. Add to that the decision on computers, strangely lumped together with television sets and Betamaxes, for which we will have to pay a high price in arrears.

Now that the new charges have been made, the country is entitled to demand a total clarification, and punishment for the culprits. That is the minimum that the government should guarantee. And the fact that the man filing the charges is a former governor of the state of Nueva Esparta under this administration, a well-known leader of the ruling party in that state, significantly adds to the government's responsibility to produce a quick, effective, convincing response.

I have repeatedly sounded the alarm about the damage that corruption has inflicted on Venezuela in periods when we have had more fiscal resources. But what I want you to think about today are the disastrous results of the current administration's management of foreign exchange. This situation has had such an adverse impact on the Venezuelan economy that the consequences will be regrettable.

In 1988, the final year of this presidential term, the balance of payments deficit will be higher than \$2 billion, according to reliable technical studies.

As of 18 March, a month ago, Venezuela's foreign reserves had shrunk by 8 billion bolivars, according to the indicators published in the Central Bank's weekly bulletin. This figure is equivalent to \$800 million, applying a weighted average exchange rate of 10 bolivars to the dollar.

The thermometer indicates a fever, a high fever that the government is trying to ignore, despite the remedies it has attempted with negligible results.

The ruling party's prescription for stopping the decline in foreign reserves has failed. We must prevent it from continuing to pursue this policy before the failure of a team becomes the irreversible failure of the country.

Using the mechanism of prepaying the debt of some state enterprises, resources have been transferred from the Venezuelan Investment Fund (FIV) to the Central Bank, pursuant to the terms of the restructuring agreement signed in 1986 and amended in 1987.

At the same time, the government floated bonds in dollar denominations abroad, amounting to a total of \$100 million. The terms, including an annual interest rate of over 11 percent, are very onerous to the republic.

Statements by the minister of energy and mines confirm rumors that Venezuelan Petroleum, Inc. (PDVSA) and its subsidiaries will resort to external credit or will sell invoices to reduce their foreign currency outlays during the year. In addition to everything else, this contradicts once again the lofty proclamations of respect for the oil industry's operational and financial independence, proclamations that the current minister and his immediate superior made in criticism of the previous government.

The foreign exchange budgets originally approved for industry and trade have been reduced, generating uncertainty and shortages.

In addition, Decree 1988 has been issued and Exchange Agreement No. 6 has been modified to attract new foreign investment, while the chief of state is off to Japan in search of credit and investment.

Nevertheless, neither the administrative corrections nor the manipulation of FIV and PDVSA reserves, nor the contracting of loans, appears to be sufficient to head off a decline. The fact is that there is a huge, unconcealable gap in the external sector of the economy.

Unfortunately for the country, it is very likely that Venezuela's operative international reserves will fall below the critical level of \$2 billion before the end of this year.

Such is the legacy this administration is about to leave the country and its next government.

A popular saying puts it graphically: "The one who brings up the rear should do the herding." In other words, the present government is avoiding comprehensive measures at the expense of the reserves of PDVSA, the Investment Fund, and the Central Bank.

This is a reality that is not reflected in the publicity paradise of the Central Information Office (OCI) or in the carefully selected foreign press clippings that the government pays for us to read.

PDVSA To Invest 180 Billion Bolivars Over Next 5 Years

33480133b Caracas *EL NACIONAL* in Spanish
7 May 88 Sec D p9

[Text] Juan Chacin Guzman, president of Venezuelan Petroleum, Inc. (PDVSA), has announced that the petroleum industry's medium-term plan, covering the period between 1988 and 1993, calls for investments of nearly 180 billion bolivars in constant bolivars.

Before an audience of hundreds of people who turned out enthusiastically to learn about the different phases of expansion and development in this region, the high-ranking government official was more specific when he announced the plans for the Zulia region in this context. In this case, the planned investment amounts to about 50 billion bolivars in the same period.

"Of this amount, some 72 percent will represent Pequiven's direct contribution. The difference will come from the stock purchases by national or foreign shareholders who become involved in the formation of the planned mixed enterprises."

It is obvious that the expansion of the petrochemicals industry is of particular importance for the country, and especially for Zulia, in this medium-term planning.

Chacin also mentioned the investments scheduled for this year throughout the country, which amount to about 53 billion bolivars. Of that total, nearly 10 billion will be earmarked for Zulia.

Of all outlays, investments represent about 30 billion bolivars, and will be aimed primarily at the basic functions of production, refinancing, petrochemicals, and attending to the domestic market.

Later on, Chacin raised the audience's expectations when he revealed that new plants for the production of olefins, polypropylene, ethylene oxide and ethylene glycol, isopropanol and acetone, PVC and linear polyethylene will be built in this state. He emphasized the chlorosoda plant, which will help reduce the risks of environmental pollution.

"Thanks to this ambitious program, which represents an investment of nearly 20 billion bolivars, the chemical production capacity of the state of Zulia will rise from the current 1.272 million metric tons per year to 3.1 million metric tons by 1995."

As for private participation, he noted that there are two well-differentiated fields.

In the first are the projects that are closely related to the overall planning of the industry. Their production would be aimed particularly at saving or generating foreign

currency. This is true of the production of gasoline additives, ammoniac, polypropylene, and other products for which specific projects are already being drawn up.

To implement these projects, PDVSA has chosen the mixed enterprise model. Such enterprises will be formed with the participation of national private capital and foreign capital, both private and state. Given the degree of risk and involvement in the selection of technology and in the financing of these enterprises, PDVSA will reserve for itself up to 49 percent of the shares.

In the second field are all those activities that can be promoted directly by the national private sector, with or without foreign participation.

In this second group, according to Chacin, are finished or semi-finished goods such as solvents, acetates, synthetic rubber, chlorines, and others.

PDVSA's participation through Pequiven in these projects or in the enterprises that will be set up to develop them, will be limited to providing the required raw materials. In any event, it will contribute a relatively small amount of the capital.

Regarding the coal in Guasare, which is being mined by Carbozulia, Chacin emphasized that exports as of 30 March 1988 represent a value of 80 million bolivars, for which Corpозulia has received the corresponding royalty.

A long-term program has been implemented for planning and basic engineering; this program will result in the mining of 5.5 million metric tons of coal in Guasare in 1995. The investment required for this project is an estimated 10 billion bolivars, of which 1.8 million will have been disbursed by the end of this year.

The president of PDVSA announced that this year the pact will be signed with the American firm Arco Coal and the Italian firm Agip Carbone to form the mixed enterprise Carbones del Guasare. Carbozulia will hold 49 percent of the stock in this venture.

"The international partners will have 48 percent and national private investors will purchase 3 percent through the Maracaibo Stock Exchange. This 3 percent represents 300 million bolivars, while international financing will amount to US \$300 million."

In addition, among the activities scheduled by PDVSA in which the private sector will play a major role are those connected with the new subsidiary, Palamven, which until last year was a subsidiary of Pequiven.

Juan Chacin detailed the functions of this enterprise, explaining that besides the marketing of fertilizers, it will promote and develop agriculture-related services in order to contribute to production and productivity in the sector.

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Change in Industrial Policies Proposed

33480133a Caracas EL UNIVERSAL in Spanish
21 Apr 88 Sec 2 p 2

[Excerpts] An objective examination of the Venezuelan industrial situation, with an emphasis on the analysis of its critical factors and opportunity values, reveals the need to make an immediate change in the strategy behind industrial policy at all levels. The objective is to shift efforts toward export, which is the best way to achieve a balanced level of development.

Change in Policy

"There is a consensus in the country regarding the need to define a new industrial policy based on a greater opening to the foreign market and an increase in competitiveness," said Leonardo Vivas. "Major course corrections must be made for this purpose, however, so that the installed industrial plant can be put right. In particular, technological efforts with the industrial sector itself as a foundation must be promoted in order to make the distribution of efforts more orderly and to control the time-honored tendency to favor scientific research almost exclusively."

"The reasons," added the specialist, "are both internal and external. Internally, installed capacity is quite modern on the whole, but there are major gaps in the chains of industrial processing. This makes the process excessively dependent on the external supply of components and technology in different ways, increasing its vulnerability."

"Externally, the context has changed substantially. Severe conditions are imposed on international competition, which is not immune to protectionist tendencies on the part of a growing number of countries. Similarly, a new model of productive efficiency based on electronics/informatics technologies is being introduced. This model also involves the Japanese style of management, which promotes greater flexibility and has more factors of efficiency than just the scale of production. This pattern, though it entails major organizational and technical efforts, offers possibilities for medium-sized and small countries.

"In addition, new materials processing and biotechnology fields that require special efforts are being announced.

"Meeting the challenges of industry involves making progress in defining the following areas:

a) Adjustments in production for the domestic market and production for export, taking into account the high consumption of foreign exchange incurred in both types of production.

b) Ways of accelerating growth by seeking substantial improvements in the pattern of income distribution.

c) Clarification of the domains and tools for government action, and of the means of coordinating efforts with the private sector to devise long-term, stable policies.

"Technological development should be the mission of industry, because technology is not generated and developed outside the economic process. It is not possible to draw a line between industrial policy and technology policy.

"Technological activity should be aimed at boosting the competitiveness of the industrial sector. Rather than continuing to insist on the exclusive support of science on the assumption that it is the source of the technologies that are appropriate for our country, industry itself must be encouraged to build up its capacity. This approach has been taken partially in certain cases, on the basis of the assimilation and improvement of others' accomplishments.

"Support for competitiveness in this field is attained by improvement the technological knowhow of the business sector and by encouraging specialization.

"For this purpose, strategic operations should pursue the following objectives:

a) Assimilation and development of the most competitive technologies in the basic sectors of the economy (petroleum, chemicals and petrochemicals, and aluminum).

b) Assimilation and development of the necessary technology to boost productivity in the food and agroindustrial sectors to encourage large-scale consumption.

c) Filling in gaps in basic services to the population and modern economic activities.

d) Creation of conditions, incentives, and means for updating the existing industrial plant both organizationally and technically.

e) Assimilation and selective development of technologies linked to electronics/informatics as a means for supporting the rest of industry.

f) Consolidation and reorientation of applied research to support priority areas.

g) Promotion of firms based on biotechnology and new materials, linked to consolidated industrial groups that can lend support and guarantee markets.

h) Development and guidance of national capacities (certification, design, and product packaging) to support export firms.

i) Development of financial and fiscal mechanisms for strengthening companies' technological knowhow (pre-investment, venture capital, tax breaks for companies that develop their own technology or hire nationals to do so).

"From the institutional standpoint, streamlined coordination mechanisms must be proposed to allow each institution to maintain its profile and specialization while working within a program of common goals and objectives for the medium and long terms."

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Role as Third-Largest Aluminum Producer Foreseen

33480133c Caracas EL UNIVERSAL in Spanish
3 May 88 Sec 1 p 1

[Text] Bonn, 2 May (Ansa)—With an estimated investment of several billion dollars, Venezuela aspires to become one of the most important producers of primary aluminum in the world, reports the [West] German daily, HANDELSBLATT (published in Dusseldorf), today.

The publication, which specializes in economic matters, indicates that Venezuela wants to be able to produce about 2 million tons of aluminum per year by the year 2000.

In this way, the South American country plans to become the third-largest producer of aluminum in the Western world, after the United States and Canada.

German industrial sources say that given the low costs of production, countries such as Venezuela, Canada, Brazil, and Australia are the only ones in a position to significantly boost their capacity to produce aluminum in the medium term.

08926

Incentives Offered To Attract Italian Capital

33480133d Caracas EL UNIVERSAL in Spanish
9 Apr 88 Sec 2 p 2

[Text] Rome, 8 April (EFE)—To attract Italian capital, Venezuela is offering advantageous terms for investing in the food and agriculture, tourism, metalworking, petrochemicals, and civil construction sectors, stated Christian Democratic Senator Carlos Sequera Yopez today in Rome.

Sequera Yopez, former president of the Confederation of Industrialists of Venezuela, is on a "business" trip to the Italian capital. He added at a press conference that these incentives "range from tax exemptions to low-cost energy, including purchases at 50 percent of the price."

The Venezuelan businessman met in Rome today with the undersecretaries of foreign trade and industry, Alberto Rossi and Romeo Ricciuti, respectively. Together they assessed the current level of trade between Venezuela and Italy, which Sequera Yopez said "is at an optimum level."

At present the Italian firms of the Fiat industrial group, the chemical company Montedison, the Landini tractor manufacturer, and a hotel chain are operating in Venezuela. A mixed enterprise between the Italian company Agip and Venezuelan Petroleum, Inc. to refine unleaded gasoline is supposed to begin operations soon.

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